

A USEFUL LOOK AHEAD

NOVEMBER 1967

Nation's Business

PAGE
60

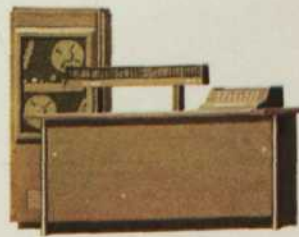


More costly strikes ahead
A timely warning from J. Edgar Hoover
Do him a favor—fire him

Information from NCR Data Centers helps businessmen serve you better. In Calcutta or Chicago.



More businessmen in more countries are turning to NCR Electronic Data Processing Centers to help them keep stock, keep track, keep up. So you find more to choose from when you shop. Fewer foul-ups on bills. Less waiting in line at the bank. Almost any businessman anywhere is big enough and near enough to run his business better with information from an NCR EDP Center. Useful information is NCR's business. Always has been.



NCR

THE NATIONAL CASH REGISTER CO., DAYTON 45409

®



Now protect your business with a special Allstate "package" policy. (And save up to 20%.)

Allstate, the company famous for low rates, now offers a Businessowners' "Package" Policy at substantial savings compared to what you might be paying now for similar protection under separate policies from most other companies.

This Allstate policy can give you protection against loss from fire and many other perils, public liability insurance, and coverage for many kinds of criminal acts.

Your Allstate Agent can tailor this insurance under one policy to fit your particular operation. He can eliminate dangerous gaps

and expensive overlaps often occurring with separate policies.

In the bargain, you get Allstate's prompt, fair claim service . . . from the industry's largest full-time, salaried claims staff.

Get the details about the Allstate Businessowners' "Package" Policy, and find out how much money it may save you.

Contact your local Allstate Agent—at Sears, or any Allstate office. Allstate Insurance Companies, Home Office—Northbrook, Ill.

Savings somewhat less in a very few states. Program not available in Hawaii, Missouri, Oregon, Texas.



You're in good hands with Allstate®

Founded by Sears

Nation's Business

November 1967 Vol. 55 No. 11

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

7 WASHINGTON: A LOOK AHEAD

Federal forecasters aren't always accurate, and the boom they foresee for '68 may encounter some unexpected hurdles

20 EXECUTIVE TRENDS: EDP and you

Firms, big and small, discover what computers can do—and can't; executives pick business Hall of Fame; letters go up

27 WASHINGTON MOOD: Anything can happen

Odd, improbable happenings to fascinating people on foreign fronts bring feeling the unexpected could happen here, too

31 STATE OF THE NATION: No President can destroy it

That remarkable Constitution gives Congress ultimate in methods of checks and balances to any President's power

35 RIGHT OR WRONG: Public business in privacy

Debate on election reform and campaign funds makes very clear Congress feels that personal income is private matter

38 More costly strikes ahead

Increasing strength of public employee unions could also mean you'll see more disruption of expected daily services

44 J. Edgar Hoover: The Christmas trade no business wants

Professional bankruptcy artists use busy Christmas rush to place big orders for merchandise and never mean to pay

50 What taxes and spending do to the economy

Spending by all branches of the government has a big effect; Part VI of the economic series your employees should read

58 BUSINESS: A LOOK AHEAD

Satellites to inventory crops; new manufacturing industry sought for forest products; how speakers' bureaus pay off

60 Who will win in '68?

Residents of five counties that consistently voted right in Presidential elections speak out on candidates and issues

88 LESSONS OF LEADERSHIP: Making know-how pay

A conversation with Col. Willard F. Rockwell, venerable industrialist who built two huge enterprises simultaneously

96 Do him a favor—fire him

Many companies keep right on carrying deadwood, though research shows some surprises about canned executives

100 Karl Marx was all wet

Great dreams of communism have turned out to be a big bust; even many who had embraced theories dropped them

106 THE NEW GENERATION: "Greatest story never told"

Survey by Research Institute of America shows much more myth than fact about young, including their career choices

108 The time to say No

Too many Americans have forgotten that there are times to say No to government other than just in their polling booth

Cover cartoon by Al Hirschfeld

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$23.75 for three years; Canadian \$9 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1967 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Jeffrey S. O'Neill
Walter Wingo
John Costello
Robert W. Ireland
Vernon Louviere
Sterling G. Slappey
Wilbur Martin

Contributing Columnists
Felix Morley
Peter Lisagor
Alden H. Sypher
Jeffrey St. John

Art Director
Ralph Patterson
Associates
Joseph W. Swanson
Richard C. Freund
Andrew T. Radigan, Jr.
Adm. Assistant
Mary W. Davis

Business Manager
William W. Owens

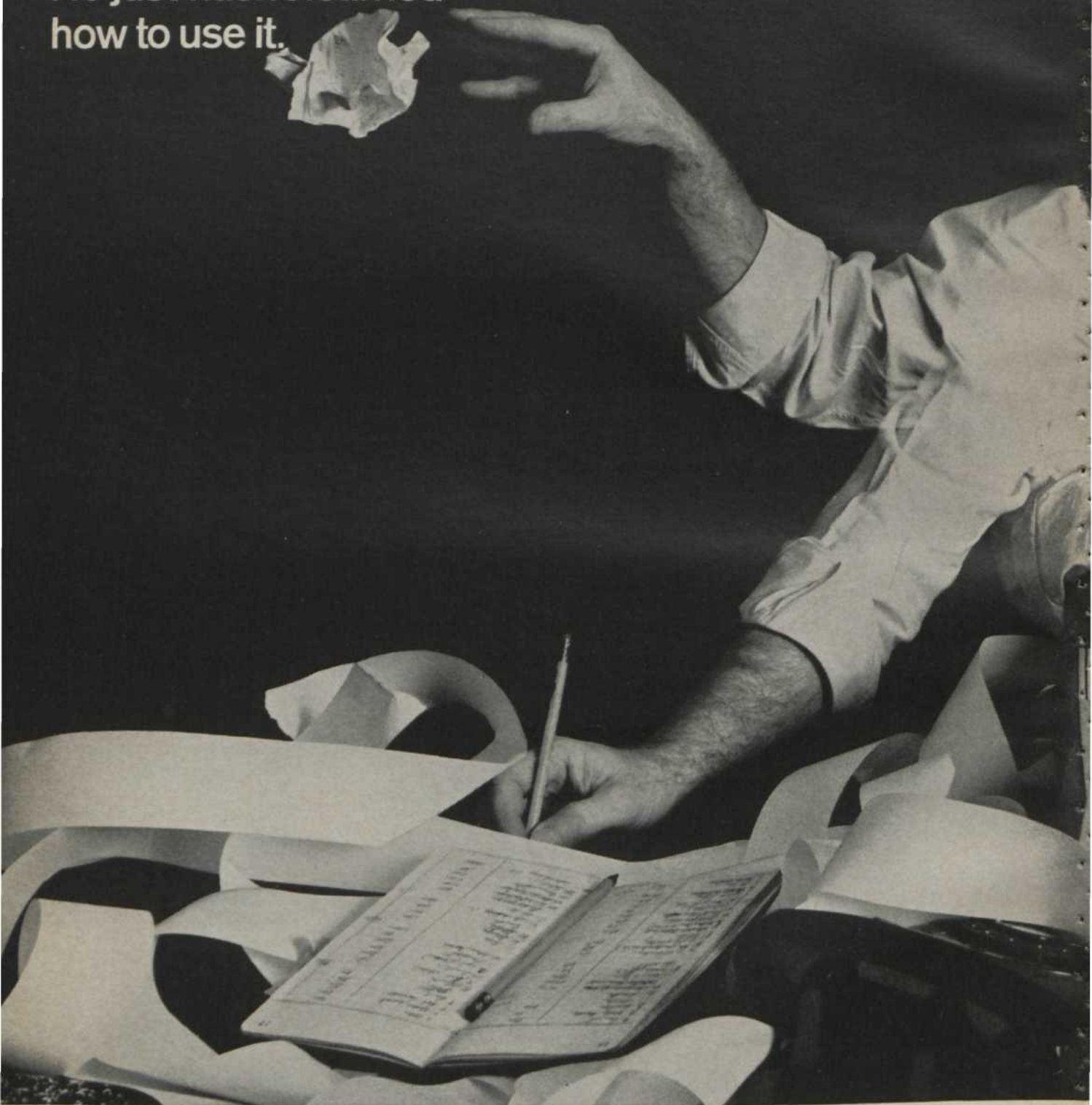
Advertising Director
Herman C. Sturm

Field Sales Manager
Arnold F. Dardwin

Production Manager
W. Lee Hammer

This man's plugged into
the largest information
network in the world.

He just hasn't learned
how to use it.



See that black instrument on his desk, covered with
paper? He thinks that's a telephone.

But it's much more.

It's an input device to the largest information network
in the world. The Bell System.

Oscar Mayer & Co. learned how to plug their computer
into the network to speed error-free invoices to customers.

Within 24 hours after delivery!

Tower Paint Manufacturing Co., Miami Fla., learned
how the network could help customers get information
without waiting. It made an ambitious twelve-store expansion
program possible.

Learning how to use the network even made it easier
for H. K. Porter Company, Inc. to keep track of 36,000



items in seven warehouses and eight producing plants.

Remember: a phone is just a phone until you learn how to use it. That's why we keep a man on our payroll called a Communications Consultant. You can reach him at your Bell Telephone Business Office.

His job—to show you how to plug into the world's largest information network.



AT&T
and Associated Companies

We'll help you keep things running if your key man dies.



Some companies slow down when they lose a key man. Some even clunk to a halt. But our key-man life insurance guarantees funds to help tide you over—or hire a new man.

Expensive? Currently, for millions of our policy owners, cost-per-thousand of life insurance protection is at an all-time low. And you'll feel more secure doing business with New York Life. We've been on the American scene since 1845. Long time.

Successful, too. We're one of the world's largest corporations, with a proud reputation to maintain.

Top agents to serve you. We keep them on their toes by offering advanced training all the time. Time you talked to one of them. Today.

New York Life Insurance Company
51 Madison Ave., New York, N.Y. 10010
Life, Group and Health Insurance,
Annuities, Pension Plans.



WASHINGTON: A LOOK AHEAD

Now, on the threshold of 1968, it's time for a clear-eyed, hard-nosed look at where the economy is headed.

The air is full of granite-firm predictions, especially from Washington policy makers.

A chorus of prognosticators, both in public and private life, say '68 will roll at boom speed after bumpy '67.

The degree of unanimity, particularly among federal forecasters, is sort of scary. Especially when you look at the wild shots of the recent past. For instance:

LBJ's Council of Economic Advisers underestimated national output last year by about 20 per cent. For this year, they missed the mark by about 25 per cent. The Budget Bureau less than a year ago predicted the deficit for the current fiscal year at a figure at least 200 per cent low, maybe 300 per cent.

Treasury Department assured us just about a year ago that we could "look forward to continuing over-all growth." A couple of months later business slipped into the first slump in six years.

Of course, this doesn't mean that their crystal-balling about '68 will necessarily prove wrong. But there's no such thing either as prediction infallibility.

Though economic indicators show business is advancing, remember these big imponderables could yank the economy this way or that:

Viet Nam, more strikes, inflation, federal fiscal and monetary policies, increasing wage demands, coming labor negotiations in steel, the Presidential election.

These are peculiar times. Administration officials call for a tax hike to brake the economy at the same time the Federal Reserve's monetary policy pushes its foot down on the accelerator. One banker recently called it "the great economic paradox of 1967."

The times are curious in other ways, too. Though most people look for more momentum, the muscles of past booms temporarily have lost their sinew. Specifically, nobody is projecting big outlays for plant and equipment or a strong year for big-ticket items. People still seem to be salting away savings at an unusually thrifty pace. Profit gains are expected to be mild compared with recent highs.

Instead, the boom most people hear right over the next hill is still partly the thunder of war. A rising commitment of resources—money and manpower—to Viet Nam is being made at the same time outlays by federal, state and local governments flow into new realms of government activity.

One of the cardinal economic decisions affecting this year, last year, maybe years ahead has been the President's determination to have a guns and butter economy.

This policy to spend for warfare and welfare simultaneously helped whip the economy to a gallop and kick up the cloud of inflation that now hangs over us. It also has brought Congressional economy revolt.

There were other decisions, too. Glance back a way to get a better sight of the future.

In 1965-66 almost everybody was optimistic. Customers were turning their pockets inside out. Business was spending, too. Pouring out the bucks for plant and equipment.

A major capital goods boom, plus the Viet Nam buildup, had the economy stretching at the seams. State and local governments also were spending as if dollars were going out of style.

Then prices began to jump as labor called for more pay. Costs began to kite, borrowers wrestled each other for financing as money grew dear.

The Fed turned the screws and the credit

WASHINGTON: A LOOK AHEAD

crunch took hold. Fiscal reins also were pulled in. The investment tax credit, which had encouraged erection of factories and offices, was suspended.

So, as 1966 neared an end, home building had gone into a depression, the capital spending boom was silent, people were worried about the war and inflation, including the high price of borrowing. They started tucking funds away.

Because business and industry were stocking up on goods at a frantic pace, inventories were piled high. When government put its foot on the fiscal and monetary brakes and sales fell off, business was left with a gigantic supply of unsold stocks.

Factories slashed production. Only those making defense items kept momentum. Employment in manufacturing drooped, retail sales were off, profits slid.

But the mini-slump of late '66-early '67 was short-lived.

The Fed last fall had adopted an easy money stance and a couple of months earlier Congress had put the investment tax credit back in operation.

The steam in the economic boiler has come mainly from the Fed's boost in the money supply and from government buying, which now amounts to about one fourth of GNP, the value of all output.

Government fiscal and monetary policies in 1968, just as in '67, can steady or rock the economic boat.

Those who favor the President's plan to levy a surtax say it would cut consumption, hold down the wage-price spiral and reduce demands on the financial system.

Others predict taxes will add to inflation later: More taxes, meaning less take-home pay, gives unions strong argument for still higher wages. So, business must raise prices, pass them along to the customer.

Whatever else happens in 1968, most forecasters—business and government—foresee

more inflation, cost of living going up more than three per cent during the year.

Labor costs will rise higher. Manpower will be scarcer than clean hands in a coal mine. Wage settlements are setting pattern six to eight per cent above last year.

Consumer after-tax income now is increasing at an annual rate of about eight per cent. So customers will have the wherewithal to buy at rising prices. Though consumer surveys show more caution, particularly about big-ticket goods.

Total government purchases are estimated to rise by \$18 billion during '68. Remember, estimates in this department are always low, not high. Even economies in spending would be more in nature of trims, not amputation.

The Fed will likely be reluctant to make money tighter, remembering horror stories of the '66 credit vise.

Interest rate may well edge even higher next year as credit demands grow.

Many major industries still are using only about 85 per cent of capacity, somewhat under desired rate of over 90 per cent. Some seers predict capacity use will not rise much in '68. If not, productivity probably won't increase enough to offset hourly earnings or ease cost-price squeeze.

Housing experts say home building still won't spurt ahead much in '68 even with housing shortage because of high interest rates, high construction costs.

Business inventories will undoubtedly continue to move into better balance in '68.

Capital spending is expected to rise only slightly next year.

Profits, what with wage hikes and less-than-the-best industrial operating rates, won't be much better than this year, maybe about the '66 rate, particularly if the surtax is enacted.

Over-all, we'll ride a little higher in '68, but it will be on froth of more inflation than we've seen in years.

When an Avis girl winks at you, she means business.

The Avis Winker Code



1 wink: She has a car ready and waiting.



2 winks: It's a compact.



3 winks: It's a convertible.

There you are. Standing in our competitor's line. And in a hurry.

If the Avis girl at the next counter winks at you, you're in business.

One wink means she can put you into a shiny new Plymouth inside of three minutes.

Two or three winks mean you can have a compact or a convertible.

(See Avis Winker Code at left.)

That is your signal to leave the line, come to the Avis counter and get a car without waiting. We will even accept No.1's credit card.

But if the Avis girl winks more than three times, please disregard the message.

It's strictly against company policy.

**So you think
mailing costs are
untouchable?**

Take another look:

Ask your Treasurer..

He'll tell you that POSTALIA's low, flat-rate rental (no increase regardless of how much your mail volume grows) and minimal service requirements can save a big 25% to 65% on your mailing cost.



Ask your Secretary..

She'll tell you how much "down-for-service" stoppages by the "other" postage meter cost you. POSTALIA is built for rugged, troublefree performance. (She'll love toting the 5-pound POSTALIA instead of that other 11 to 22-lb. jumbo to the postoffice.)

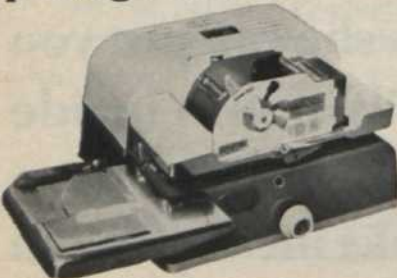


**Ask your
Shipping Foreman..**

He'll tell you how you can profit from a POSTALIA meter for your parcel post at a fraction of the cost of that "other" meter. Ask him what POSTALIA saves by imprinting directly on parcels.



**then look at
POSTALIA—
the new choice in
postage meters**



While postal rates go up, you can actually reduce your mailing costs with POSTALIA's unique advantages. We have saved 25% to 65% for typical firms. You save on the machine purchase, too, since the same POSTALIA meter works with all higher capacity mailing machines. Don't make another move until you see what POSTALIA can do for you. Send the coupon for full-color brochure.



POSTALIA

POSTAGE METERS

32-31 57th Street,
Woodside, N.Y. 11377

Send POSTALIA brochure, please.

NAME _____ TITLE _____
FIRM _____
STREET _____
CITY _____ STATE _____ ZIP _____

Business opinion:

Al Capp on: The Hippie Economics

To the Editor:

Al Capp may or may not be a good cartoonist, but when he enters into the field of economics, [The Hippie Economics, September] we believe he is not qualified to speak with authority. This is particularly true when he speaks with such ridicule and disparagement.

L. M. DOOLEN
President
Telford & Doolen, Inc.
Lansing, Mich.

To the Editor:

Thank you for your article on "The Hippie Economics" [September].

Your quotations of Galbraith so inspired me that I am immediately determined to go out and buy his book, "The New Industrial State."

In fact, these quotes were the only inspiration in the article.

Aesthetic goals must, of course, be utilized to permeate the impersonal and mechanical structures in society. In fact, this is happening anyway.

If business needs no art, then there is no need for an Al Capp.

REV. REDMOND J. DUGGAN
Livingston, N.J.

To the Editor:

"Al Capp on: The Hippie Economics" was tremendous. Thank you.

OLIVER H. HUGHES
President
Citizens National Bank and Trust Co.
Emporia, Kans.

The Wright decision

To the Editor:

This is to commend Dr. Morley for the fine article on education ["Does Democracy Demand Degradation?" September]. As a District of Columbia resident with children in the public schools, the biased and wrong decision by Judge Wright is a sad reflection on our democracy.

For those of us who have tried to fight for the right by keeping our children in public schools—even though, in my case, I can well afford to send them to private schools—there is no alternative but to wash our hands and walk away.

The children, meanwhile, will be sacrificed on the altar of the egos of men who want their names in the headlines.

JOHN K. EVANS
President
Business Development Fund, Inc.
Washington, D.C.

To the Editor:

It is unthinkable that in a country whose scientists can split the atom and send men into space, the educational establishment has failed to develop objective tests of ability which could be used for pupil assignment without fear of discrimination or personal bias.

Dr. Morley's emotional discussion of the Wright decision dismisses this central issue with inap-

CHANGING YOUR ADDRESS?

Please attach the address label from your Nation's Business cover in this space, print your new address below, and mail this form to Nation's Business. Important: Allow five weeks for address change.

Nation's Business, 1615 H Street, N. W., Washington, D. C. 20006

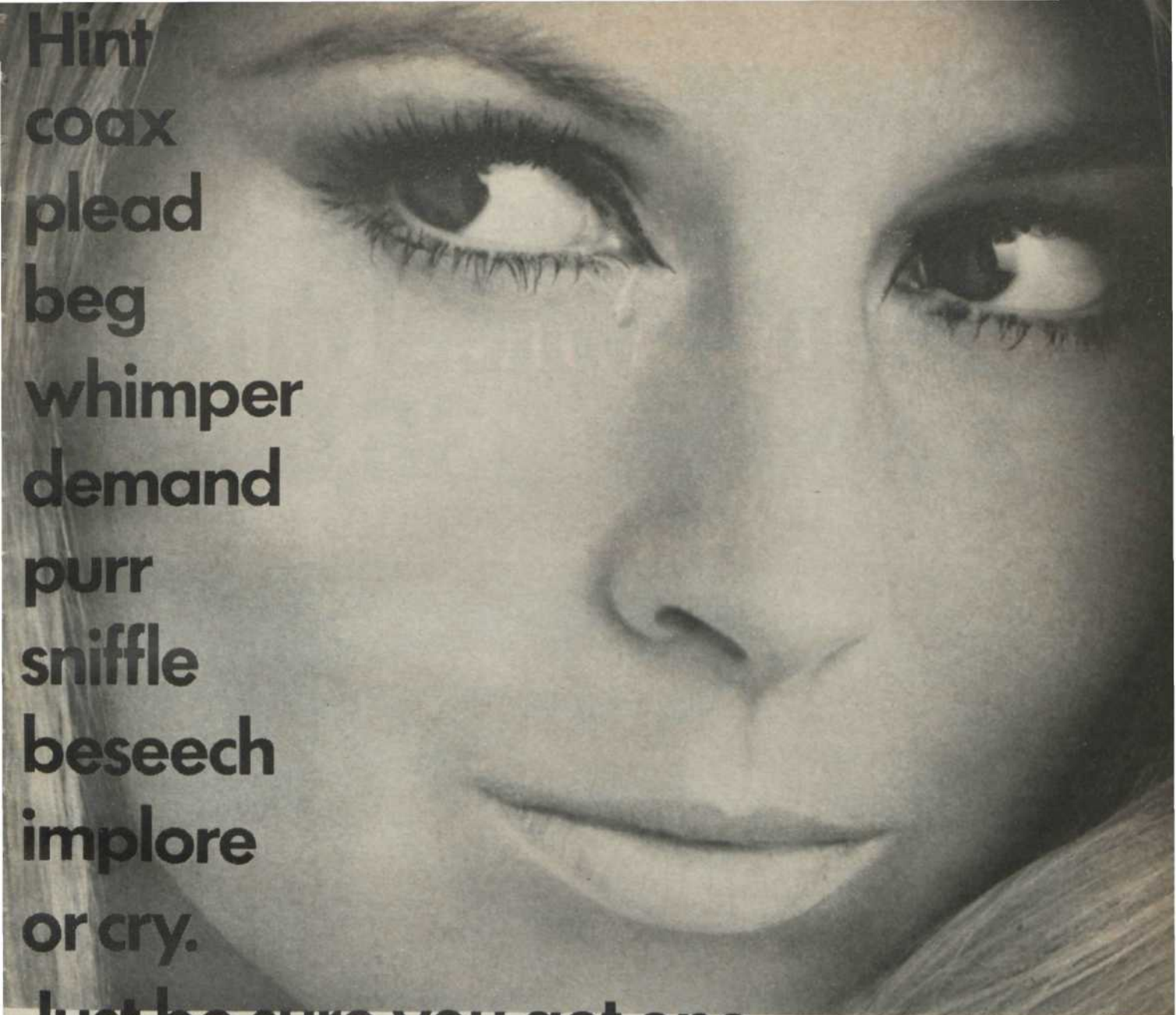
Name _____

Co. Name _____

Address _____

City _____ State _____ Zip Code _____

Whenever you write us about your subscription, please include address label for prompt service.



**Hint
coax
plead
beg
whimper
demand
purr
sniffle
beseech
implore
or cry.**

Just be sure you get one.



The new Smith-Corona Secretarial 315 office electric. Full size. Fully automatic. Superfast. Rugged. Reliable. Quiet. Delivers the most beautiful pages ever signed. And under \$325.

"Smith-Corona" and "Secretarial" trademarks are registered in the U.S. Pat. Off.

SCM CORPORATION, 410 Park Avenue, New York, N. Y. 10022. Offices in Canada and major cities throughout the world.



"In 3 hours 'Jeep' 4-wheel drive saved me \$36,000."



says David K. Price of Redlands, California.

"When we needed a new pick-up for our citrus farms, we looked carefully at all makes... I kept coming back to the 4-wheel drive 'Jeep' Gladiator and finally decided it might be worth the extra dough. So I bought it. A couple of months later, it became one of the best investments I ever made.

"It had been fairly warm, but by mid-afternoon the temperature started to slide. At 6:00 P.M., I called the

weather bureau—"Riverside...32°... Bloomington... 30°... Redlands... 33°..." WOW! Down 10° in an hour! We didn't have one wind machine on.

"I loaded drums of fuel for the wind machines into the Gladiator and took off for our biggest farm—30 miles away. There was a ton of it in the back, but the Gladiator really barreled down the highway.

"When I got there, I still had a hun-

dred yards of deep sand bottom between the road and the machines. I flipped the lever into 4-wheel drive, and stepped on the gas. All 4 wheels started to churn. We sank right to the hub caps in the soft sand, but then the 'Jeep' Gladiator began to grind its way—fuel drums and all—right across the bottom and up to the grove.

"The wind machines were all fueled up and on by 9:15. Not a moment too



"I called the weather bureau. It was nearly freezing."



"I had to get over a ton of fuel to our wind machines...in a hurry!"



"In between the road and the wind machines was 100 yards of deep sand...uphill!"



"An ordinary truck gets stuck automatically when you try to turn in the sand. But even with that load in the back, my 4-wheel drive Gladiator kept churning along."



"When the temperature hit freezing, nine wind machines were on. Only one still had to be filled."



"We didn't lose a single orange. And that crop was worth \$36,000."



"My whole family enjoys our Gladiator. Especially when we're camping. We love going to places 2-wheel drive trucks could never reach."

soon. At 10:30 it went well below freezing.

"Next day we found we hadn't lost a single orange. That crop was worth \$36,000.

"Everyone likes to drive that Gladiator—including my wife. With Turbo Hydra-Matic* automatic transmission, it's a cinch to drive. She also takes advantage of 4-wheel drive...flips it on when the roads turn slippery, for

instance (even at 60 m.p.h. it's almost as easy as turning on the lights).

"On days off, we put on the camper and head for the hills. The kids love it, because we push back to places we couldn't go before. I don't worry about getting stuck...not with this baby!"

"Sure, we paid a little extra to get this 'Jeep'

Gladiator. But I'm so sold on it now—that extra amount would seem cheap if it were twice as much."

KAISER Jeep CORPORATION
TOLEDO, OHIO 43601.

'Jeep' Gladiator

You've got to drive it to believe it.
See your 'Jeep' dealer. Check the Yellow Pages.

CALL HOLIDAY INN'S MAGIC NUMBER

TO OPEN DOORS
THROUGHOUT CANADA,
PUERTO RICO, THE BAHAMAS,
AND ACROSS THE UNITED STATES.

The telephone number of the Holiday Inn Reservations Office is a modern "Open Sesame" for more than 130,000 rooms.

Call this number for meeting facilities in any of 700 cities, and put the meeting arrangement details in trained, professional hands. Call this number for a transcontinental series of meetings—for coordinated tour accommodations bookings—or just to reserve a room for yourself in the comfort of a Holiday Inn. For your convenience, every Holiday Inn honors Gulf Travel Cards, American Express, and Diners Club Cards for all meeting, lodging, and dining charges.

The services of your Holiday Inn Reservations Offices are free, and fast as magic with the HOLIDEX Computerized Reservation System.

Magic Numbers of Holiday Inn Reservation Offices

| | | |
|--------------------------|----------------------------|----------------------------|
| Akron 836-2236 | Houston 748-3880 | New Orleans 523-2476 |
| Atlanta 873-4292 | Kansas City, Kan. 471-6021 | Philadelphia 922-3636 |
| Baltimore 539-2450 | Kansas City, Mo. | Pittsburgh 391-1970 |
| Boston 742-5555 | 1-800-238-5212 | San Francisco 981-5350 |
| Chicago 663-0500 | (no charge) | St. Louis 621-6440 |
| Cincinnati 381-5200 | Los Angeles 878-2565 | Toledo 243-6103 |
| Cleveland 696-6060 | Memphis 363-3400 | Toronto 925-6361 |
| Dallas 357-1711 | Miami 532-8361 | Washington, D. C. 525-6700 |
| Dayton 224-0703 | Milwaukee 344-7404 | Windsor 252-6892 |
| Detroit 963-8800 | Minneapolis 332-8161 | |
| Fort Lauderdale 525-6586 | Montreal 842-8971 | |
| Fort Worth 335-5741 | New York 661-3600 | |

Holiday Inn's extra service begins when you call your Holiday Inn Reservations Office.

Holiday Inns
OF AMERICA,

3736 Lamar Avenue • Memphis, Tennessee 38118
DEPT. 11-NB



Business opinion:

appropriate sarcasm. Where has the educational establishment been all these years?

The Supreme Court integration decision was only 13 years ago. To blame the present educational mess on integration is like blaming the race riots on hot weather.

Whether Judge Wright is right or wrong, Dr. Morley's emotional outburst demonstrates the incapacity of the educational establishment to pass reasoned judgment, and even greater incapacity to solve the very real problems the Wright decision will create.

WARREN BLANDING
Executive Vice President
Marketing Publications, Inc.
Washington, D.C.

"Roots of Union Power"

To the Editor:

My most sincere admiration for your courage and dedication in exposing the parasite unions in Walter Wingo's series of articles, "Roots of Union Power."

May the public be educated and informed so that they can take steps to stop enslaving themselves and robbing this great country of ours of its freedoms.

HUDSON L. TUTTLE
President
Omni Tool & Engineering, Inc.
Holland, Mich.

Really hit home

To the Editor:

Your article "How Government Fattens Unions" [September] really hit home.

One of the most frightening things to management of small businesses such as ours, 25 employees, is where do you turn for help and counsel. Certainly not to the federal government.

RAYMOND V. MITCHELL JR.
President
Pepsi-Cola Bottling Co.
Sioux City, Iowa

Puerto Rico's sugar exports

To the Editor:

I note a serious misstatement of fact in Felix Morley's article, "Where the Melting Pot Has Melted" [July].

He says: "It (Puerto Rico) now produces for the American market much of the sugar that used to come from Cuba."

The fact is Puerto Rico now exports less sugar to the United States than it did when Cuba had a quota. This is primarily because sugar land is being converted to a more valuable industrial use.

Puerto Rico sugar exports to the United States since the shutting off of Cuban raw sugars (last admit-

The businessman's guide to specifying fleet cars for '68.



1. Will they have Chevrolet's new refined body mounting system and improved Full Coil suspension for smoother, quieter performance?
2. Will they have Chevrolet's advanced wide-stance chassis design for a steadier, surer ride?
3. Will they have Chevrolet's choice of air conditioning systems: Four-Season with both Impala and Chevelle, and Impala's fully automatic Comfortron featuring "set it, forget it" thermostatic control?
4. Will they have Chevrolet's proved safety features including the GM-developed energy-absorbing steering column for greater driver security?
5. Will they have Chevrolet's wide range of 23 power teams including the new 200-hp Turbo-Fire V8 that's standard; and the big, new 250-hp V8 you can order that runs on regular fuel?
6. Will they have Chevrolet's front and rear inner fenders to fight corrosion and rust twice as hard?
7. Will they have Chevrolet's famous all-welded Body by Fisher for solid value all around?
8. Will they have Chevrolet's advantage of large size, factory balanced wheels and tires for top roadability?
9. Will they have Chevrolet's self-adjusting Safety-Master brakes with bonded linings to keep maintenance costs down?
10. Will they have Chevrolet's traditionally higher resale value?

These do.



1968 Chevelle Malibu Sedan



1968 Impala Sport Coupe



Chevrolet Means Business

The first tape-only postage machine.



It's all your
shipping room needs,
so it's half the ordinary price.

Your shipping room doesn't need a postage machine that imprints envelopes.

The only part they use is the part that prints tapes for parcel post.

Now, that's the only part you have to buy.

The new 9010 Tape Machine by Friden prints postage on tapes—but not on envelopes. That means less machinery in the machine, and less money in the price: just \$190. (That's half the price of our competitor's "low-priced" crank model.)

The 9010 is electrically operated. Simply dial the postage you want (1¢ to \$9.99), set

the selector for wet or dry tape, press a button, and there's your metered tape—without cranking.

If you want to change from U.S. Postage to United Parcel Service tapes, simply take off the postage meter and pop on the UPS register.

Shop around. Compare the 9010 to tape-letter machines costing two or three times as much. You'll find that half a machine is better than one.

For a demonstration of the 9010 Tape Machine by Friden, call your nearest Friden office. Or just write Friden, Inc., San Leandro, California 94577. Sales and service throughout the world.



Frیدن
DIVISION OF SINGER
OVERSIZED - WORLDWIDE

Business opinion:

ted in 1960) have declined from 980,176 short tons in 1961 to 711,325 last year.

L. W. TOMPKINS
Treasurer
Farr, Whitlock, Dixon & Co., Inc.
New York, N.Y.

Competition on the campus

To the Editor:

Businessmen's tax dollars are being spent in increasing amounts to compete in the talent search on America's campuses.

One placement director at a small state college (enrollment 8,000) told me that last year over 400 recruiters made more than 500 visits to his campus and conducted nearly 5,000 interviews with seniors and graduate students.

More than one fourth of the recruiters represented government agencies!

Businessmen today face not just the challenge to really sell students on our campuses, but to compete with tax-supported federal, state and local government for that talent.

And the competition gets keener all the time.

WILLIAM M. TIMMINS
Assistant State Planning Coordinator
Salt Lake City, Utah

Starving in Mississippi?

To the Editor:

I wish to take exception to your article ["Right or Wrong" September] with respect to Mississippi starvation.

I have lived in Mississippi for 17 years and have never seen a starving child.

However, I do believe there are many children, black and white, suffering from malnutrition.

This is not usually the fault of lack of money but is primarily due to the fact that these people have never learned to spend what money they get wisely and carefully.

One way to overcome this problem is by instruction in nutrition in all public schools.

ANN CARLETON
Clarksdale, Miss.

Selling them rope

To the Editor:

With the "new Republican leader," Sen. Thruston B. Morton, more outspoken in favor of the Administration's East-West trade than the Democrats [Washington Mood, September], what is the difference between the parties?

Is it true or not that over 80 per cent of the North Vietnamese war material is provided by Russia and

If you have more than one policy to cover all these business risks, you have more than you need.



Fire



Business Income



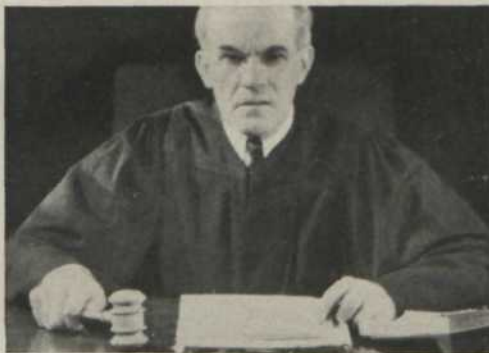
Burglary



Robbery



Wind



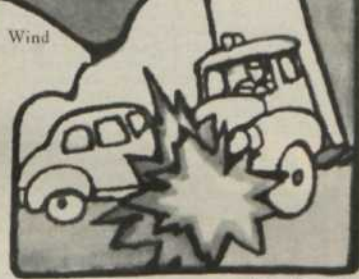
Liability



Riot



Boiler Explosion



Auto Liability



Vandalism



Employee Fidelity

One is enough.
If it's Continental's Comprehensive Business Policy.
That's the one that can cover all your property, liability and fidelity risks.
One policy also means one premium. One renewal date. No unnecessary duplication of coverage (you don't need the extra cost). Less danger of uninsured losses (you don't need the extra risk).

And savings up to 25% (that, you need).
One more thing.
The coverage you buy and how much of it depends on what you need (not on any preconceived ideas of ours).
Call your local Continental agent. (You'll find him listed in the Yellow Pages.) He's the one who can tell you all about our one-policy policy.
What more do you need?



The Continental Insurance Companies

Continental Insurance Co.
Firemen's of Newark
Fidelity and Casualty
Commercial of Newark
Seaboard Fire and Marine
National-Ben Franklin Cos.
Boston Old Colony Cos.
Buckeye Union
Washington General
Niagara Fire Insurance Co.
HOME OFFICES:
80 MAIDEN LANE, N.Y., N.Y. 10038
10 PARK PL., NEWARK, N.J. 07101

Local Businessman Makes His Mark...



Puts Transamerica Insurance Service Just Down the Street from You.

Your Transamerica Insurance Agent owns his own local business. He makes his mark the same way you do—by personalized selling and by servicing what he sells.

That's why your Transamerica agent's main stock in trade is custom-tailoring fire and liability insurance programs to fit the exact needs of your business. Transamerica provides your agent with the local back-up he demands to service you properly. And because he's independent, you *know* Transamerica pays attention!

So for on-the-spot insurance help, look to your local Transamerica Insurance Agent. He's just down the street from you.



Supporting Independent Agents Across the Country

Transamerica Insurance Group

Home Office: OCCIDENTAL CENTER • P.O. BOX 54256 • LOS ANGELES, CALIFORNIA 90054

TRANSAMERICA INSURANCE CO. • WOLVERINE INSURANCE CO. • PREMIER INSURANCE CO.
RIVERSIDE INSURANCE CO. • CANADIAN SURETY CO. • AUTOMOTIVE INSURANCE CO.

Business opinion:

that much of it is transported in Polish ships?

Isn't that one of the reasons we're fighting in Viet Nam? I suppose Senator Morton will feel better about fighting in Hawaii—or on Catalina.

What fantastic insight Lenin had when he said over 60 years ago: When it comes time for us to hang the capitalists they will be there selling us rope.

ROBERT FAUVRE
Northridge, Calif.

STATEMENT OF OWNERSHIP

STATEMENT of ownership, management and circulation (Act of October 23, 1962; Section 4369, Title 39, United States Code)

1. Date of filing: September 29, 1967.
2. Title of publication: NATION'S BUSINESS.
3. Frequency of issue: monthly.
4. Location of known office of publication: 1615 H Street, N. W., Washington, D. C. 20006.
5. Location of the headquarters or general business offices of the publishers: 1615 H Street, N. W., Washington, D. C. 20006.
6. Names and addresses of publisher, editor, and managing editor: publisher, Arch N. Booth, Executive Vice President, Chamber of Commerce of the United States of America, Washington, D. C.; editor, Jack Wooldridge, Washington, D. C.; managing editor, Tait Trussell, Washington, D. C.

7. Owner: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors; the officers are as follows: President: Allan Shivers, Investments, Austin, Texas. Chairman of the Board: M. A. Wright, Chairman of the Board and Chief Executive Officer, Humble Oil & Refining Company, Houston, Texas. Chairman of the Executive Committee: Robert P. Gerholz, President, Gerholz Community Homes, Inc., Flint, Mich. Treasurer: Henry C. Coleman, Chairman of the Board, Commercial Bank of Daytona Beach, Daytona Beach, Fla. Executive Vice President: Arch N. Booth, Chamber of Commerce of the United States, Washington, D. C. Vice Presidents: Frank P. Fogarty, President, Meredith Broadcasting Company, Omaha, Nebr.; Jenkin Lloyd Jones, Editor and Publisher, The Tulsa Tribune, Tulsa, Okla.; Walter L. Rice, President, Reynolds Mining Corporation, Richmond, Va.; F. Ritter Shumway, Chairman and Chief Executive, Ritter Pfaudler Corporation, Rochester, N. Y.; E. Hornsby Wasson, President, The Pacific Telephone & Telegraph Company, San Francisco, Calif.; Walker Winter, Partner, Ross, Hardies, O'Keefe, Babcock, McDugald & Parsons, Chicago, Ill.

8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: None.

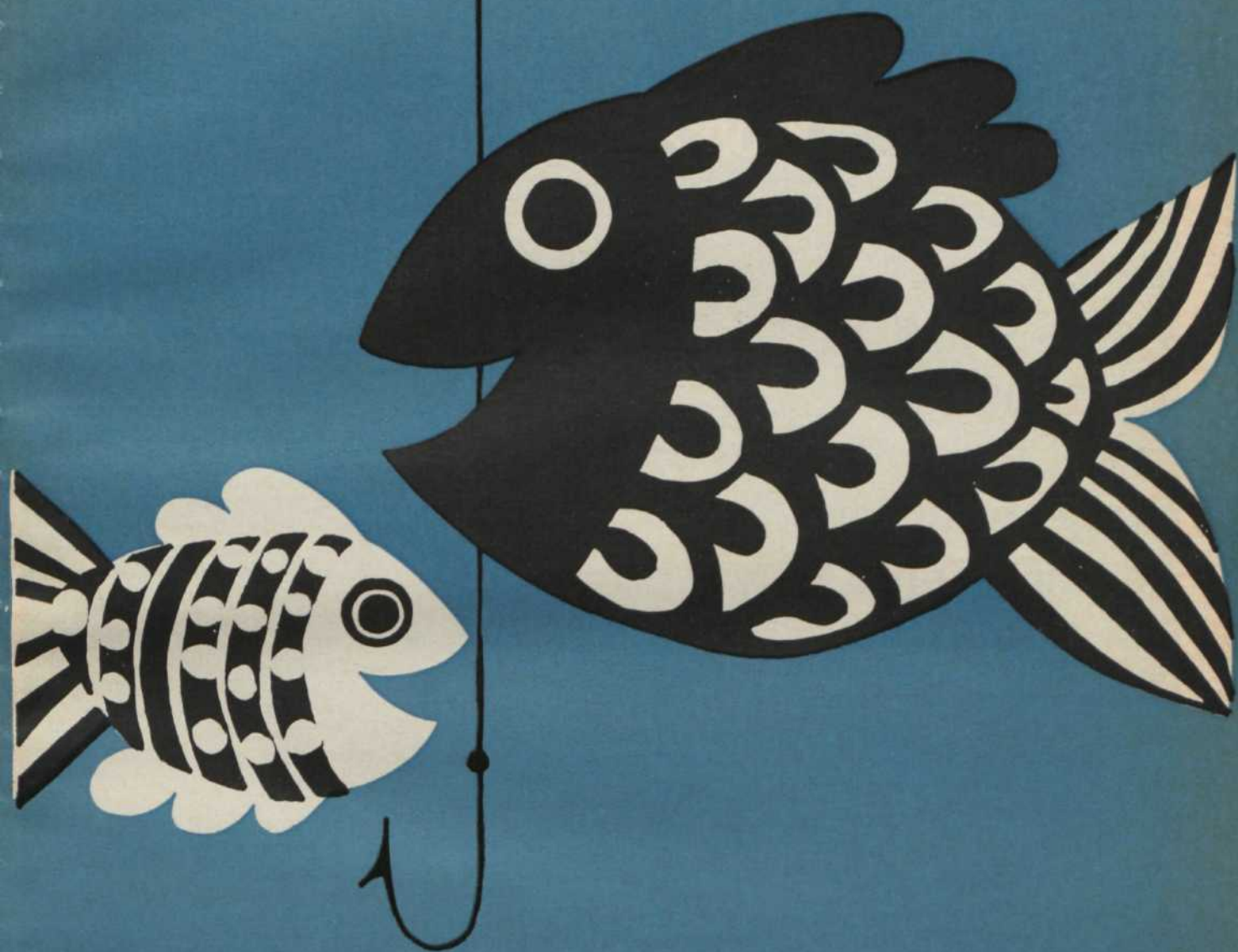
9. For completion by nonprofit organizations authorized to mail at special rates. Not applicable.

| 10. Extent and nature of circulation: | | |
|--|--|-------------------------------------|
| | Average no. copies each issue during preceding 12 months | Single issue nearest to filing date |
| A. Total no. copies printed (net press run) | 864,284 | 888,290 |
| B. Paid circulation | | |
| 1. Sales through dealers and carriers, street vendors and counter sales | — | — |
| 2. Mail subscriptions | 827,355 | 844,302 |
| C. Total paid circulation | 827,355 | 844,302 |
| D. Free distribution (including samples) by mail, carrier or other means | 23,717 | 22,739 |
| E. Total distribution (Sum of C and D) | 851,072 | 867,041 |
| F. Office use, left-over, unaccounted, spoiled after printing | 13,212 | 21,249 |
| G. Total (Sum of E & F—should equal net press run shown in A) | 864,284 | 888,290 |

I certify that the statements made by me above are correct and complete.

WILLIAM W. OWENS, Business Manager

Want the best rates for shipping 5 to 50 lbs?



Stop fishing around and call Air Express.

If you're not hooked on Air Express for 5 to 50 pound shipments, you're probably paying too much.

And with new lowered rates, Air Express is frequently the best for heavier shipments too. Especially when you're shipping long distances.

But low cost is only one lure Air Express has

to offer. There's also door-to-door pickup and delivery. Priority. (Air Express goes aboard right after the mail.) Overnight deliveries. And lots more.

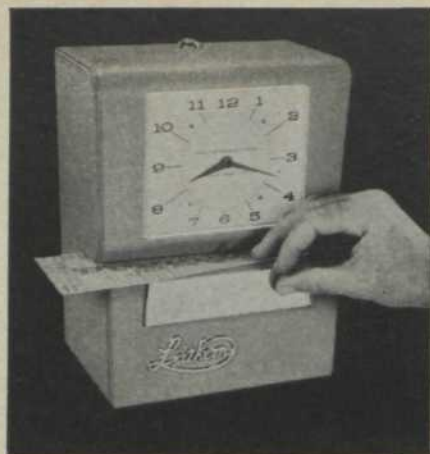
It's easy for you to take advantage of all these shipping benefits.

All it takes is a fast call to Air Express.

Air Express

Division of REA Express





Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

Latham leads the field with a deluxe, fast-operating top-inserting time recorder that provides error-free two-column payroll accounting for straight time and overtime. And Latham makes time clocks feasible for companies with as few as three employees with low-priced side-printing models which may be used for job time as well as payroll time.

LATHAM TIME RECORDER COMPANY
2127 Marietta Blvd. NW, Atlanta, Ga. 30325
Please send me complete information and prices, also payroll time card samples.

Name _____

Company _____

Address _____

Latham

TIME RECORDERS
PROGRAM TIMERS
TIME STAMPS
WATCHMAN CLOCKS

Executive Trends

- EDP and you
- Industry's hall of fame
- Those business letter costs

Executives and the computer

Top managers don't exploit the computer fully, one authority asserts.

"Ever make direct use of computer data, when reaching a decision?" Dr. Rodney Brady, vice president, Aircraft division, Hughes Tool Co., Culver City, Calif., asked more than 100 top manufacturing executives.

No, they all replied.

But by 1975, he forecasts, EDP's impact will be substantial on:

- The kind of information top management gets.
- Its accuracy and timing, as well as on decision making.

Does that mean computers will make the boss obsolete?

"Nope," he says. "Only that they'll solve a lot of his simpler problems, and leave more time for what he's really paid for—handling the tough ones."

What EDP can do

Some firms already throw tough tasks at their electronic brains—and get invaluable results, like these:

- Discover, a year in advance, that a project would run three months late at current rate of progress.

Solution: Raid another, lower priority job for help. Or shift into overtime.

- Learn that the firm would be badly overstaffed, two years hence—based on order backlog, plus projected new business.

Solution: Pare payroll before crisis stage reached.

Smaller firms assign computers sophisticated work, too. Vogel's, Inc., Little Rock, Ark., frozen food wholesaler, programs its IBM 1130 to take seasonal factors into consideration when it orders items for inventory.

"So, it doesn't buy much lemonade in winter. And it goes easy on mince pie in summer," says Dave Goldberg, vice president.

Result: Savings on warehouse space and inventory. "Of course, it's no substitute for a seasoned buyer's judgment," he adds.

Who needs a computer?

Only firms that have:

- High volume.
- Repetitive sales.
- And require in a hurry information that takes some fancy figuring.

That's the yardstick Jerome Kanter offers in his book, "The Computer and the Executive" (Prentice-Hall, Inc., Englewood Cliffs, N.J. \$5.95).

"A \$5 million distributor may need one worse than a \$20 million job shop manufacturer," he says.

What does one cost?

"For a general purpose, internally programmed model, at least \$5,000 a month—\$2,000 to lease; \$3,000 to operate.

"Staff and programming usually run one and a half times monthly rental. The same computer carries about a \$90,000 price tag.

"The sales price is usually about 45 times monthly rental."

Or you can rent time from a computer service center.

Cost: About \$50 an hour for a

Since 1962, Plymouth's fleet sales have increased 224%. What the heck's going on?

It's a movement, a momentum, a beat. The Plymouth win-you-over beat.

In the past 5 years, Plymouth's fleet sales have more than tripled. That upswing — aside from being the most dramatic in the industry — represents a growing trend toward Plymouth company cars.

And the beat goes on. ♡

One of the primary reasons the beat goes on is this car: the 1968 Plymouth Fury.

It has the biggest standard V-8 in its class. And the biggest brakes. And the biggest trunk.

This year, it's a whole lot better looking, too. And quieter. And safer. And more luxurious.

And the beat goes on. ♡

If you haven't considered Plymouth in recent years, this is the year you should.

Our attitude is win-you-over, and we think we've got what it takes — everything from resale value to faster order processing.

And the beat goes on. ♡



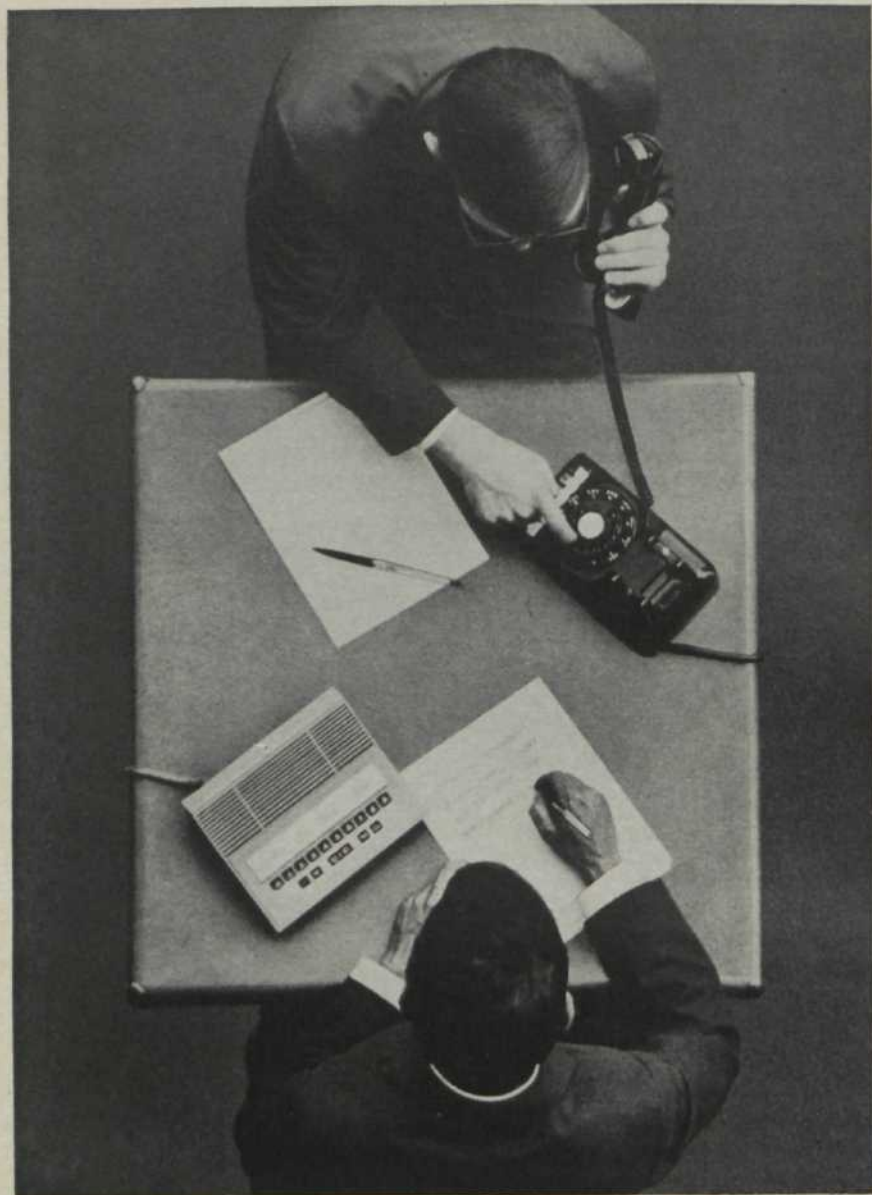
Plymouth



CHRYSLER
MOTORS CORPORATION

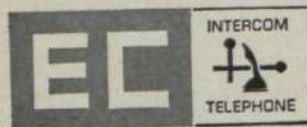
...the Plymouth win-you-over beat goes on ♡

By the time North has dialed a number...



South has finished his call.

South demonstrates the incredible speed of the Centrum intercom system that permits internal calls to be made in seconds. Only Centrum combines the two most advanced features in office and plant communications—touch call and automatic voice-switching. South and his party conversed *hands-free* while North was still dialing his number on an ordinary telephone used as an intercom. May we show you how South's company boosts efficiency and slashes 'phone bills with a Centrum hands-free intercom system? Just fill out the coupon for information.



ERICSSON CENTRUM, INC.

16 EAST 40TH STREET
NEW YORK, N. Y. 10016
PHONE (212) 679-1001

Member of the worldwide L. M. Ericsson Group.

☐ Send literature on the system. 2-1-N

Name _____

Title _____

Company _____

Address _____

City, State, Zip _____

EXECUTIVE TRENDS

continued

small computer, about \$500 for a big one.

Making industry's hall of fame

Found a giant corporation—and leave behind a well known product linked with your name.

If your aim is business immortality, that's a big part of the way to win it.

But there's more, too, University of Michigan pollsters say after analyzing their recent survey.

"Who was America's greatest businessman?" they asked 423 top executives.

Henry Ford won hands down. Runner-up was Andrew Carnegie.

Besides Ford, others who fit the success formula were Thomas Edison, third; Alexander Graham Bell, seventh; Walter P. Chrysler, ninth; Harvey S. Firestone, tenth. Others in the top 10 were John D. Rockefeller, fourth; Alfred P. Sloan, Jr., fifth; Bernard M. Baruch, sixth; E.I. du Pont, eighth.

Nearly one fourth of those polled picked Ford first. They cited his contribution to mass production, paying high wages while cutting car prices—and "putting the nation on wheels."

To cut theft and riot loss

Can you prevent burglaries and break-ins?

Chicago, other big city police departments, say Yes. Here's what they suggest:

- Protect vulnerable points.

Many burglars (20 per cent) get in by smashing their way through plate-glass windows.

Other favorites: Rear windows, basements, coal chutes, and side-walk delivery openings.

- Secure your safe.

Attach it to the floor—where it can be seen from street and change combination often.

- Install alarms.

Wire all openings—doors, skylights, windows.

- Light up.

Illuminate dark corners outside; place inside lights toward rear so intruder's silhouette is visible from street.

- Avoid easy access.

Substitute glass-brick for side and rear windows; use sturdy doors,

35 U.S. airlines depend
upon 3,928 travel agents
for a lot of business.



How do
Flying Tigers
get along
without any?

Because airfreight is Tigers' business, our entire business, we do business with the travel agent's counterpart—the Airfreight Forwarder. Like Tigers, he, too, is a specialist, devoted to a single purpose: superior service to shippers. □ When you plan an important trip, call any one of America's 3,928 travel agents. They'll

smooth the way by taking care of every detail. When you have an important shipment to make, call one of the 144 Airfreight Forwarders serving the nation's shippers. They're knowledgeable pros who can save you time and money. Or call us direct. Either way, you'll be doing business with an airfreight specialist.

It pays to do business with THE AIRFREIGHT SPECIALIST—



FLYING TIGER LINE

WORLD HEADQUARTERS: INTERNATIONAL AIRPORT, LOS ANGELES, CALIFORNIA

MONEY-
SAVING
EXCLUSIVE

BLOCKED
SPACE
RATES

**Wheaton sincerely
tries to provide
a truly BETTER
moving service.**



**LONG DISTANCE MOVING
WORLD-WIDE SERVICE**

Agents in Principal Cities
General Offices:
Indianapolis, Indiana



**would a
10%-15%-20%
premium
interest you?**

To sell CALL OPTIONS on STOCKS in one's portfolio and to sell PUT OPTIONS to acquire STOCKS is considered good business by many holders of securities. To interested individuals or institutions we will gladly explain the procedure.

PUT your investments to work ... CALL

**Filer, Schmidt
& Co., Inc.**

Members Put & Call Brokers & Dealers Assn. Inc.

120 Broadway, New York, N. Y. 10005

Please send booklet on How To Use Options.

Name _____ NB
Address _____
City _____ State _____ Zip _____

EXECUTIVE TRENDS

continued

with pin-tumbler or double-cylinder locks.

And in case of riot, tell police location of your warehouses near trouble areas to extra protection for them.

**Taking a trip—
business that is**

What's your travel agent's charge for getting you an airline ticket, making a hotel reservation, arranging a car rental, booking you on a cruise or tour?

Twenty per cent, 10 per cent or five?

The answer, of course, is no charge at all, the American Society of Travel Agents, Inc., points out.

"No reputable agent would charge for these services," ASTA says, "only for other time-consuming chores like planning and arranging a personalized tour."

"In fact, it's against the law, now, to charge for getting an airline ticket."

"The agent is reimbursed by a sales commission paid by the carrier, hotel or rental agency."

News to you?

It is to some travelers. A recent study found many who thought these services weren't gratis.

**Miss Smith,
take a letter**

"Nope, wait a minute."

Economy-minded executives will think twice before asking their Gal Friday to whip out pencil and dictation pad.

It'll cost \$2.49 to get that letter on paper and into the mail, The Dartnell Corp., Chicago, Ill., figures. They break it down like this:

| | Average cost |
|----------------------|--------------|
| Stenographic expense | 94 cents |
| Overhead | 61 cents |
| Lost motion | 20 cents |
| Mailing | 15 cents |
| Filing | 10 cents |
| Materials | 7 cents |
| Other expense | 42 cents |

TOTAL: \$2.49

That's a nickel more than last year.

It cost \$1.17 in 1953; \$1.70 in 1957; \$1.83 in 1960; \$1.97 in 1962; \$2.32 in 1964.

That's a clue how all office costs have risen.



The end of the 50 yard dash.

Now when you want a few copies, your secretary won't have to dash back and forth between a ringing telephone and the copier.

The reasons:

Style: The GAFAX™ 500 isn't the kind of big ugly copier you have to hide somewhere down the hall. It is the first electrostatic copier that comes in decorator colors. And it comes on an adjustable stand (optional extra) so you can put it conveniently next to your secretary's desk.

Economy: While your secretary is admiring how beautiful the GAFAX 500 is, you can be admiring how beautiful the price is: only \$685.

Reliability: The roll-fed GAFAX 500 gives you clear, sharp copies every time.

So our copier saves your girl a lot of legwork, and you a lot of money.

Gafax 500



GENERAL ANILINE & FILM CORPORATION

Dept. NB2, 140 W. 51 St., N.Y., N.Y. 10020

☐ Please send me literature, plus "Cram Course on Copiers."

☐ Please have a salesman arrange a demonstration.

Name _____

Firm _____

Position _____ Phone _____

Address _____

City _____ State _____ Zip _____



Your trophies.... your trinkets....

*transactions
you make...*



Your treasure... your trio... and trips that you take.

Your USF&G agent can insure them all

Consult your USF&G agent with the same confidence as you would your doctor or lawyer. He is professionally trained and widely experienced in offering you insurance protection for virtually everything you value. And putting your insurance under one roof can save you time and money. You'll find your USF&G agent listed in the Yellow Pages.



THE USF&G COMPANIES, BALTIMORE, MD. 21203. United States Fidelity & Guaranty Co., Fidelity & Guaranty Life Insurance Co., Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore, Md. 21203 • Fidelity Insurance Co. of Canada, Toronto □ CASUALTY • FIRE • MARINE • MULTI-LINE • LIFE • GROUP INSURANCE □ FIDELITY • SURETY BONDS

Anything can happen and probably will

BY PETER LISAGOR

For a time in recent months, the law of probability seemed to have been suspended or repealed. Odd, improbable things happened to people in Cairo, Moscow, Montreal and Peking. Washington wondered if perhaps the stars were not out of phase, and waited nervously to see if it, too, would be stricken by a shocking lapse of loyalty or the collapse of old reliable standards of conduct.

Nobody really thought it likely that President Johnson would be the victim of a major court betrayal in the White House, or of an important defection by a friend or ally who announced to the nation that he could no longer support the Administration and therefore would work next year to retire Mr. Johnson to private life.

But some observers didn't foreclose any possibility. They recalled, with a ghoulish turn of mind, that Julius Caesar didn't expect to see his old and trusted friend Marcus Brutus among his assailants when he uttered that cry which became embedded in the language of betrayal, "Et tu, Brute!" It was that phrase that President Harry S. Truman used in a communication to his Secretary of State James Byrnes when he thought that Byrnes had slyly turned on him.

Presidents have not been immune from this sort of thing. James A. Farley, the man who managed Franklin D. Roosevelt's first two political campaigns, could not accept a third term and broke with FDR. Others in Roosevelt's entourage also drifted away on ideological grounds.

Lyndon B. Johnson has had a host of men move in and out of his orbit, most of them departing for lucrative jobs which they would not have been offered but for their association with the President. None has yet proven to have been disgruntled, or at least so disgruntled as to want to blow the whistle on some dusty phase of the LBJ Presidency. Almost all of them would like to be tapped now and then for important temporary tasks, for that aura of the White



Chinese leader Mao Tse-tung is stage-managing one of the strangest happenings showing on world scene.

House is a powerful magnet. In short, the law of probability has worked in each case.

• • •

What has given rise to doubts about the future is a succession of shocks in various places involving a fascinating collection of people.

Who would have guessed that French President Charles de Gaulle would visit Montreal to attend Expo 67 as a guest of the Canadian government and, in an astonishing display of gall and boorishness, call upon the French-Canadians of Quebec Province to "liberate" themselves from the Ottawa regime? The suspicion that the aging De Gaulle may have slipped into senility scarcely softened the affront, and the French leader was practically disinvented to an official reception planned for him in Ottawa by Canada's Governor-General and Prime Minister Lester B. Pearson.

Washington was equally aghast at De Gaulle's behavior, though publicly silent about it, for France remains a part of the Atlantic Alliance, notwithstanding its withdrawal from the military arrangements of NATO. A declining and vindictive De Gaulle can yet inflict mischief and damage upon America's relation-

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

TRENDS: WASHINGTON MOOD

ships with Europe and Washington's great desire to see Europe, including Britain, draw together in strength and comity.

• • •

If a fiction writer had concocted a story about the daughter of a ruthless tyrant carrying the ashes of her husband to India and then seeking political asylum in the United States, where she publishes a warm, revealing, intensely human account of her life with her despotic father, it probably would have been marked down as too incredible. Yet Josef Stalin's daughter, Mrs. Svetlana Alliluyeva, has done just that with rare good taste and commendable restraint.

Soviet authorities tried every means at their command, short of condemning Svetlana to a violent end, to suppress her book. They appealed to important U. S. visitors to Moscow, and they had agents circulating among the American Establishment in an effort to enlist support for at least a delay in publication until after their celebration of the fiftieth anniversary of their communist revolution. They were mistakenly afraid that Svetlana's revelations would mar their boasts and their accomplishments. Stalin's daughter was writing no critique of communism but only of what it was like as a child and growing woman in the house of a paranoid father haunted by fears of betrayal.

Washington learned from Svetlana what they suspected about the Kremlin under Stalin, that it was a Byzantine society ruled by fear but that even its most brutish tendencies could not obliterate the yearning for freedom among its victims.

• • •

Another wild improbability occurred in Cairo with the reported suicide of Egyptian Field Marshal Abdel Hakim Amer, who was President Nasser's alter ego and closest associate. When this writer visited Egypt in 1954, a few short years after King Farouk had been overthrown, Nasser and Amer were a Damon and Pythias combination, and Nasser deferred to Amer as one would to an older, deeply respected brother.

But Amer was a victim of the short-lived Arab-Israeli war in June. He was first relieved of his high army post, then arrested for allegedly plotting a coup against Nasser, and finally reported to have killed himself by swallowing poison. Washington could only conclude from the Amer episode that those who rule by the sword must, like Caesar, face a familiar face in the crowd gathered to do them in.

There were other strains to the credulity, but none as utterly baffling and full of mad surmise as what has been happening in Red China. One reputable school of China watchers argue that Chairman Mao Tse-tung is staging an ersatz revolution against the very government he himself established. It is his desire to give the youth of China a revolutionary experience, according to this group of experts, and he does this by keeping China in a state of almost permanent turmoil and agitation. He is bent upon destroying any con-

cept of an elite in Chinese society, including the bureaucracy, the educational system, the army and the Communist Party.

"It sounds crazy to say that a man is deliberately trying to destroy what he himself largely created," says one authority, "but that is roughly what the situation is. Mao is in control of what goes on, so far as we can now determine. His theory is that only in struggle can there be progress, and he's aiming to shake up the Chinese so much that when he finally passes from the scene, their chances of becoming complacent revisionists, like the Russians, will be minimal."

What Mao is doing makes little sense to the Washington experts, but it is of a piece with other improbabilities. Who, asked one official recently, would have been venturesome enough to predict that after a summer of violent racial disturbances and riots, the daughter of the Secretary of State would marry a Negro with the full and willing consent and in the presence of the parents of both bride and groom? It was what one civil rights proponent called "a courageous act of the liberal spirit," but few dared to assess the political implications of the marriage for 1968.

Expectations were further shattered when the Democrats decided to hold their 1968 National Convention in Chicago's stockyards district, right in the midst of a Negro ghetto. The President's political lieutenant probably figured that the risk of demonstrations or worse in late, hot August was outweighed by the opportunity to present the Democratic party as a party of the people, unafraid to convene in the bleak inner cities. Contrast with the Republicans was heightened by the fact that the G.O.P. chose Miami Beach, Fla., and its gilded hotels as its convention site.

If the improbable should become wholly commonplace, the gossips in Washington would go out of business. But probably not until they give a full airing to the subterranean hunch of many that Defense Secretary Robert S. McNamara is a reluctant and unhappy accomplice in the present strategy in Viet Nam, especially the air war. They measure his testimony before Congressional committees against the targets bombed in North Viet Nam, with no regard for the caveats and subtleties, and conclude that he is being overruled by the President in favor of the military chiefs.

The logical extension of this hunch is that McNamara must at some point find it impossible to carry on. Thus he resigns in a dramatic display of moral revulsion, and a season of improbabilities reaches a suitable climax. The only trouble with the hunch is that it fails to take into account several facts: 1, McNamara usually supports the President's target decisions; 2, he is a good soldier in the Cabinet and willingly serves Mr. Johnson as a lightning rod, accepting the heat for what are in the last analysis Presidential decisions; and 3, if he did resign, it would not be in anger but as a carefully calculated move to convince the enemy that the U. S. means it when it says it wants an honorable peace in Viet Nam.

But the law of probability has been an uncertain guide in recent times, leading to the belief that anything can happen, and probably will.



An electrostatic copier too
rich for your bankbook?*

Copies look like a million with
a budget-priced 3M "107" copier!

Now everyone can afford unbeatable copies. The newly styled 3M "107" Copier gives you as fine a copy as any copier, at any price. And not only from photos like this one, but from all of your everyday business originals, too. Copies are completely dry. Each will be a top-quality, black-on-white copy, whatever your copying need. Just set this compact copier on your desk top. Plug it in the nearest electrical outlet. It's ready to go! So let the low-cost 3M "107" Copier give a million dollar look to your business image. Call your 3M Business Products Center. Or mail the coupon. **Look to 3M for imagination in image-making!**

3M COMPANY, DEPT. DCN-117
ST. PAUL, MINN. 55119

SHOW ME how the 3M "107" Copier can give me great copies at such a low cost.

My name is _____

Phone _____

My business is _____

At this address _____

City _____

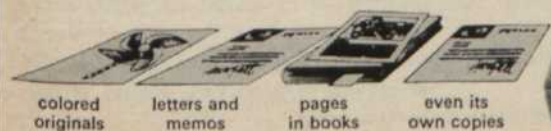
State _____ Zip _____

3M
COMPANY

*The copy at left was made on a leading electrostatic copier. The copy at right was made on a 3M "107" Copier. Based on a comparison conducted by an independent testing laboratory.

COPIES FROM:

AND MAKES:



colored
originals

letters and
memos

pages
in books

even its
own copies



copies on
colored paper

transparencies

preprinted
forms

cardweight
copies

Is any resemblance between them purely coincidental?



Not if your company's travel budget is based on Hilton's Guaranteed Range of Rates Plan. (Find out about it by calling any Hilton hotel or Reservation Office.)

It guarantees an accommodation will never cost your company a

penny more than the rate we confirm. (If we ever have to give you a more expensive room, the difference is on us.)

Result? Your forecast holds up. You have a control on hotel room costs.

And your travel budget doesn't end up reading like a piece of fiction.

There's something new at every

Hilton

T For reservations at all Hilton, Statler Hilton and other leading hotels, phone Hilton Reservation Service. 

No President can destroy it

BY FELIX MORLEY

When the Constitution was drafted, in Philadelphia 180 years ago, there was complete accord on definition of the Presidential office. In the forthright words used by Alexander Hamilton: "All men of sense will agree in the necessity of an energetic Executive."

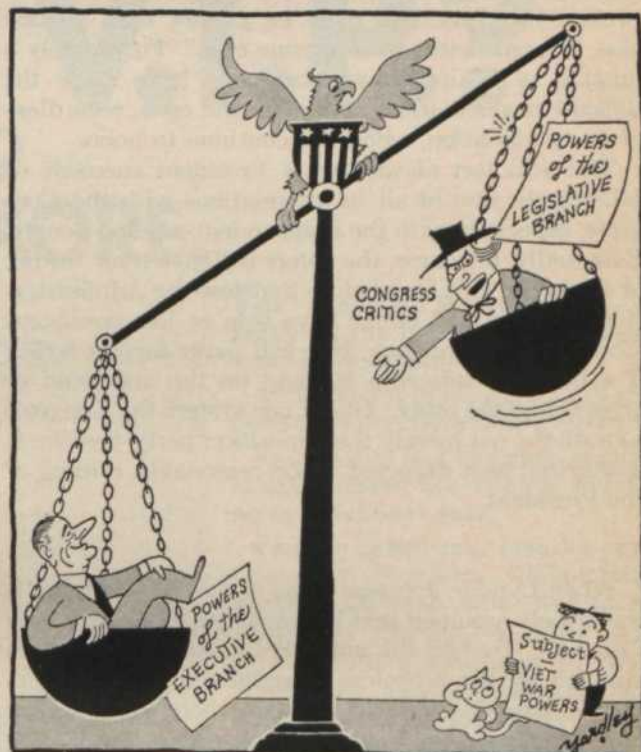
Just as today, a strong President was at that time demanded by existing conditions. The urgent problem then was how to unite the 13 States which had fought for independence as wholly separate and often mutually jealous colonies. The Congress, representing local interests, could not provide the mortar of union. The Judiciary would be a unifying force in time, but not immediately. Only a powerful executive, trusted and respected from New Hampshire to Georgia, could form a nation out of the loose confederation, so ramshackle that it threatened to fall apart as soon as the fighting stopped. It was the great good fortune of Americans, past, present and future, that in George Washington there was a man available who, as our first President, could guide the infant Republic as successfully in peace as he had done in war.

But the former colonists, having rebelled against what was regarded as British tyranny, were very much on guard against permitting an autocracy of domestic origin. So, while giving the President much power, the Founding Fathers simultaneously arranged that he should not exercise it in arbitrary fashion. He could raise no money except by Congressional appropriation. He must account to Congress for all receipts and expenditures. He was made Commander-in-Chief, but only the Congress could "declare war." His veto power could be overridden by a two-thirds vote of both Houses. Right down the line the Presidency was hedged about with careful check and balance.

Hamilton, although the chief advocate of strong executive power, recognized the desirability of this limitation as much as any of his colleagues. In addition to being energetic, he said, the President must always have "first a due dependence on the people; secondly, a due responsibility."

Especially in foreign relations, it was emphasized, the nature of this responsibility should be spelled out. Therefore, in addition to making the declaration of

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.



YARDLEY—BALTIMORE SUN

war a Congressional prerogative, special powers were given to the Senate, as the senior and less volatile representative body. Its "advice and consent" were made obligatory for the confirmation of every ambassador and consul. The same provision was applied to the making of treaties with other governments, adding the further stipulation that "two thirds of the Senators present concur."

Acclaiming these safeguards against uncontrolled Presidential energy, Hamilton further wrote, in No. 75 of *The Federalist*:

"The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind, as those which concern its intercourse with the rest of the world, to the sole disposal of a magistrate created and circumstanced as would be a President of the United States."

Most contemporary Americans have had little or no formal instruction in the brilliant political thinking

TRENDS: STATE OF THE NATION

that molded the original Constitution. The teaching of our history, both in public and private schools and colleges, has been sadly deficient in this fundamental.

Yet most Americans are nevertheless well aware of the value of such Constitutional principles as that of check and balance. A sixth sense warns the average citizen whenever such safeguards of his freedom are violated. In particular he is apt to react adversely whenever a President fails to make the adjustment between the leadership which is expected and the "due dependence" on the representatives of the people which the Constitution demands.

It is the always possible inconsistency between these two requirements that makes the Presidency such a demanding office. As sharply put by John Steinbeck: "The President must be greater than anyone else, but not better than anyone else." Fortunately a number of White House occupants have made the difficult reconciliation. They are the ones, regardless of party affiliation, whom we continue to honor.

The acid test of whether a President succeeds or fails comes first of all in his relations with the Congress, especially with the independent-minded Senate. Eventually, of course, the voters will give their verdict at the polls. But long before that test the Administration program will either have won or lost consistent Congressional support. Nor will party loyalty suffice if executive leadership is inept on the one hand or arrogant on the other. Under our system the Congress as a whole, not merely the opposition party therein, is authorized and expected to be reasonably critical of the President.

• • •

When Lyndon Johnson came to the White House it was widely assumed that he would get along well with Congress. He had the unlimited goodwill of a nation stunned by the senseless tragedy of President Kennedy's assassination. In addition there was his own high reputation for Congressional leadership. To the dexterity and skill he had shown there Senator Johnson owed his selection as Kennedy's running mate. And it was expected that these characteristics would be helpful when the tall Texan became President. That expectation has not been fulfilled.

Since President Johnson lacks neither energy nor political shrewdness, and since popular faith in him was so strongly confirmed at the polls in 1964, it is important to consider why mistrust has now become so widespread.

Personality reasons are often cited and certainly talents for off-stage maneuver are not necessarily helpful in the glare of the footlights. The so-called "credibility gap" is emphasized and it is true that assurance unmatched by performance always means a let-down. A weakness for meaningless clichés alienates some and for all there is the legion of unsolved and in some cases Presidentially-created problems. Behind all the specifics, however, there lies the failure of the President to hold the respect of Congress. For that there is a deeper reason than those customarily cited.

As in the somewhat similar case of Woodrow Wilson, the underlying issue is Constitutional. President Wilson refused to take the Senate into his confidence in the matter of U. S. membership in the League of Nations. President Johnson has done the same with reference to the war in Viet Nam. Even if the objective in both cases were justifiable, the means to the desired end were not.

Now, as it did nearly 50 years ago, the Senate is moving to assert its Constitutional prerogative. The issue is no longer who is hawk or who is dove, nor the logic behind either of those positions. What is to the fore is the question of whether or not foreign policy should be at what Alexander Hamilton called "the sole disposal" of the President. To that, even if this undeclared war were going as well as its proponents claim, the answer would have to be negative.

Opposition to this autocratic assumption of power by the President is not confined to the Senate. It is also vigorous in the House, which during the present session has become increasingly critical of the cost factors that the Administration so lightly piles up. Mr. Johnson has unquestionably put energy behind the Viet Nam embroglio, behind the fantastic space program and behind the kaleidoscopic facets of the "Great Society." But this energy has not been balanced by a sense of "due responsibility" to the taxpayers. In consequence the whole extravagant design lacks underpinning and it is no longer only alarmists who see the possibility of a disastrous collapse.

So what is apparent, a full year before the next election, is not only a sea of personal trouble for the President but, more importantly, a developing Constitutional crisis. Such confrontations, in the past, have always resulted, even in wartime, in a contraction of the Presidential power. When the reach of a Chief Executive has exceeded his grasp he has been forced to cut down on his pretensions, not happily nor willingly, but simply because there is no other rational alternative. The manner and timing of this Presidential retrenchment will be a decisive determinant in naming the candidates of both parties, during the months immediately ahead.

• • •

President Johnson long since demonstrated that he is a shrewd and forceful politician. He has not so clearly demonstrated that he is as well versed in the lessons of American history as a successful President ought to be. Sometimes this deficiency crops out.

Properly denouncing last summer's racial riots, in a recent speech, Mr. Johnson said: "We cannot tolerate behavior that destroys what generations of men and women have built here in America—no matter what stimulates that behavior, no matter what is offered to try to justify it."

No exception can be taken to that admirable statement. But, ironically, it is substantially what Congressional critics are saying about the unlimited extension of executive power. It took generations of men and women to build the well-balanced structure of American government, on the foundations so carefully laid in 1787. No President will be allowed to destroy that accomplishment, no matter what is offered by the White House in justification.

HOW MANY PLACES ARE YOU TREATED LIKE A V.I.P.?

1219
HERE ARE ~~1189~~ MORE.



Talk about V.I.P. treatment—you really hit the jackpot when you rent a car from National.

At last count there were 1219 locations to do that. (Over 200 at airports.)

You start to feel like your business is appreciated the minute you step up to a National desk.

You can get all your favorite cars—Chevrolet... Pontiac... Oldsmobile... Buick... Cadillac, other fine makes.

You can use your favorite credit card including American Oil, Mobil, Shell, Hertz, Avis, Air Travel, National, American Express, Diners, Carte Blanche and other accredited cards—with all the usual privileges.

You get free S&H Green Stamps for every mile you drive.



So next time you'd like that "important customer" feeling, rent a car from National.



where the
customer is always No.1

Overseas and in Canada it's TILDENinterNATIONAL

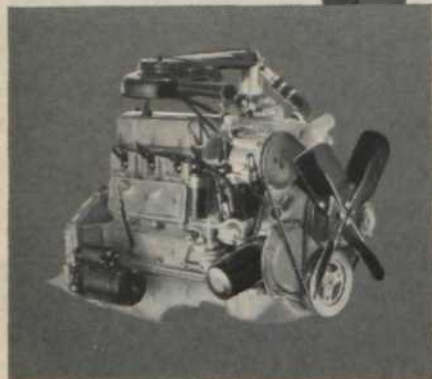
Look at all you get you can't get anywhere else!

THE '68 CHEVY-VAN:

**Only Chevrolet
gives you all these delivery van
advantages for '68!**



Extra-sturdy construction. Two body sizes. Pick a Chevy-Van with 90" or 108" wheelbase. You'll get all-welded unitized body-frame that resists twisting and stays tight. Front sheet metal and all doors are of reinforced, double-wall design for extra strength.



Biggest standard 6 of any leading make. Chevrolet's 230 Six is rated at 140 gross hp — top standard six-cylinder power of any popular-make delivery van. Specify larger Six or new 307-cu.-in. V8 for even more power. **Easier working, riding and handling.** Wide cargo doors give plenty of elbow room. Easy riding tapered leaf springs front and rear and easy handling ball-gear steering are other reasons

you'll like Chevy-Van. **Biggest service network.** You're never far from a Chevrolet dealer, ready to help you keep your truck working and earning.

Chevy-Vans provide many **new safety features** standard for '68 — even side marker reflectors. And ½-ton models include engine exhaust emission control. Buy Chevy-Van! . . . Chevrolet Division of General Motors, Detroit, Michigan.



'68 JOB TAMER TRUCKS

The public business that's clothed in privacy

BY ALDEN H. SYPHER

You're going to lose your last shred of privacy—if you live to the turn of the century.

By the year 2000 man's technical inventiveness may, in terms of privacy, have turned the whole nation into the equivalent of an army barracks, according to Harry Kalven Jr., a professor of law at the University of Chicago.

David Riesman, professor of sociology at Harvard, predicts that growing pressures for personal achievement could bring severe social tensions by 2000, along with a related decline in manners and charm.

George A. Miller, a professor of psychology at Harvard, is just as pessimistic when he thinks of what's ahead for you. By 2000, he says, the limit of man's mind to absorb information may be reached.

"We may already be nearing some kind of limit for many of the less gifted among us," he observes.

• • •

These comments come from the first discussions of the Commission on the Year 2000, sponsored by the American Academy of Arts and Sciences and financed by the Carnegie Corporation.

They foretell just the start of what's going to happen to you as a result of technical progress—and Big Brother's use of it to put you on punched cards for quick collation. And recall.

There's still a way to avoid the glass-house existence forecast by these academic thinkers:

Get elected to the Congress of the United States.

While something less than zealous about protecting the right of privacy for you and for me, that body is as possessive toward its own privacy as a tiger is about her kittens.

Members have no reticence about what they consider their achievements—such as passing the biggest pork-barrel bill in history, thus adding to the inflationary pressures that continuously reduce the value of your money.

Your august Senators don't even worry about the

limit of man's mind to absorb. Whenever they feel the pinch they simply vote themselves authority to add to their personal staffs, as they did this year to the tune of \$23,400 per Senator.

Just how hard the pinch described by Professor Miller is, and how long it's been squeezing Senatorial limits is illustrated by members' allowances for office help.

These range from \$167,400 a year for Senators from states with less than three million population to \$300,600 for those whose state has a population of 17 million or more.

A few Senators don't use it all. Obviously the limits of man's mind vary.

But as talkative as Senators may become when telling the Administration publicly that it must cut down on expenditures because of the war, they turn to stone when questions come around to what they consider their private lives.

The privacy they value concerns their income, how much it is and from where it comes.

The Senate, it appears, is determined to remain something of a halfway house for its members. As you know, this is the sociologists' term for quarters where delinquents, dopes or others whose conduct is at variance with the usual mores and customs may rest along the arduous road back.

The Senate's design is unique. Members insist on a house that can accommodate travelers going in either direction.

• • •

They indicate this in two ways. First, by the disinclination of Congress even to admit misconduct by members unless they come under unbearable pressure as a result of exposure in the public press. Second, by the Senate's most recent vote on public disclosure of members' sources and volume of income.

This vote came during consideration of a bill described hilariously as LBJ's election reform measure. The Senate approved the over-all bill—but not disclosure—by the unusual count of 87 to 0.

It would limit to \$5,000 the amount any person

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

TRENDS: RIGHT OR WRONG

could contribute to a candidate in Congressional or Presidential election campaigns.

A rich man's clause provided the \$5,000 limit would not apply to the spouse, child, grandchild, parent, grandparents, brother or sister of the candidate.

"Does this mean that in an endowed family the grandchild can get \$1 million to run on and the rest of us are limited to \$5,000?" inquired Sen. Carl T. Curtis, Republican of Nebraska.

"You are going to end up with a Senate composed of the sons of the rich," cried Sen. John O. Pastore, Rhode Island Democrat.

Mr. Curtis offered an amendment to eliminate the advantage for the sons of riches. Sen. Russell B. Long



Sen. Joseph Clark (left) for, Sen. Everett Dirksen against revealing private incomes of Congressmen.

of Louisiana, the assistant majority leader, became eloquent in defense of the clause.

"If a rich man pays his son's campaign expense, what more likely honest money could come to the son?" he asked. If a limit were placed on the father's contribution, he added, the father would have to go around and ask his business associates to put up the money. The Senator seemed to know of no other way.

"The result of that," he said, "would be all kinds of hypocrisy."

All kinds? It would be difficult to argue with Sen. Long.

But it would be nothing like the hypocrisy in the bill itself.

There's nothing in it to prevent members of a wealthy family (or a not-so-wealthy family acting as a conduit) from paying off the cost of a campaign after it is over.

Nor anything at all like the hypocrisy of Senators who voted down another proposed amendment, if they're honestly after a more honest Congress.

This amendment was offered by Sen. Joseph S. Clark, Democrat of Pennsylvania. It would have required all members of Congress to disclose the source of their personal income.

"This is an impertinence and an outrage," cried

Sen. Everett Dirksen of Illinois, the Republican leader. Which probably killed the amendment. The vote was 46 against, 42 for.

The Senator from Illinois didn't say why the proposal was an impertinence and an outrage.

Perhaps even with his unique eloquence he finds it hard to say why a man who strives for public office should not be perfectly candid about the direction of his personal fortune, once he has the public responsibility that goes with public office.

Particularly if that office happens to be in the Congress, where one of his important responsibilities is regulating by law how you may make your income, and how much of it you may keep.

• • •

The greatest hypocrisy in the whole bundle is the enforcement section. The Senate bill would put administration of the act, including the initiative for prosecution of violations, in the hands of the clerks of the House and Senate.

These clerks are, of course, employees of the two houses.

Sen. Hugh Scott, Republican of Pennsylvania, joined with Sen. Clark in sponsoring an amendment putting the administration of the proposed law in the hands of the Comptroller General, instead of the powerless clerks.

That idea frightened members even more than the income disclosure proposal. They voted it down 56 to 30.

The Senate would set a hen to guard the weasel house.

• • •

Having thus demonstrated their moral level to the world, some of the same statesmen sat a few days later as the Senate Finance Committee. Here they approved a bill under which Presidential and Senatorial candidates could dip into the Treasury—which holds your income and other federal taxes—to finance election campaigns to the tune of \$114 million next year.

Discussion of this bill disclosed the faults some Senators see in present methods of campaign financing. This is one field in which those who spoke are experienced, and to some degree, expert.

"Until today the financing of campaigns was looked upon as taking place in the shadowy back rooms of America," said Sen. Long, who joined Sen. Albert Gore, Democrat of Tennessee, in sponsoring the measure.

They said this would help end political candidates' dependence "on a few wealthy contributors with vested interests."

The committee went for it, 10 to seven.

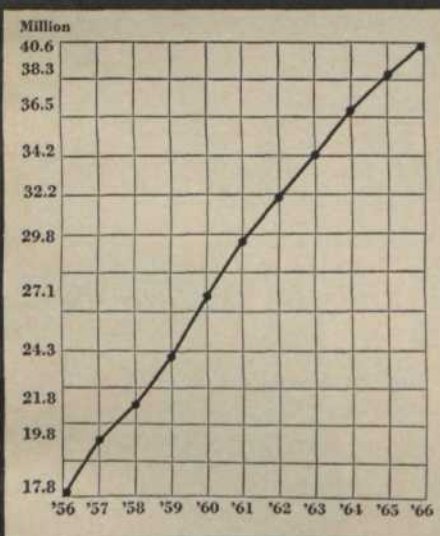
The importance of these measures is not their likely effect, for the chance that either will be enacted into law is still uncertain.

Of more practical importance is the degree of irresponsibility displayed by a group of public servants who would raid the public treasury, already in a record-high deficit, for political purposes and who decline to disclose to their employers the sources and amount of their income.

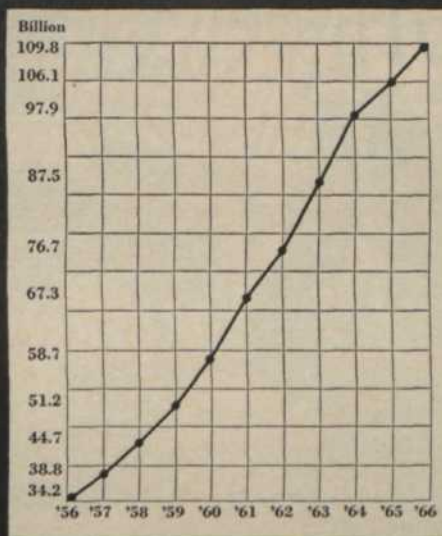
Where you save does make a difference[®]

These 20 words tell why: Because over the years Savings and Loans have paid higher returns on savings than any other type of financial institution.

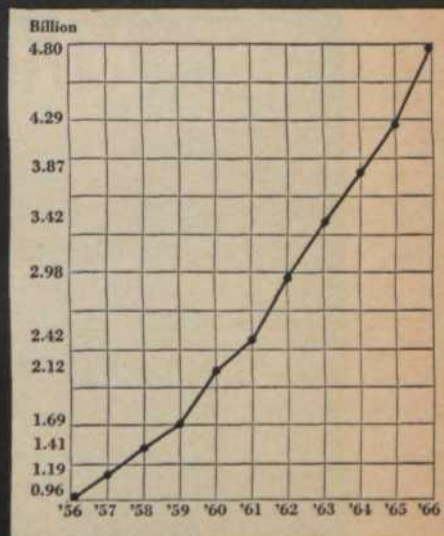
As a result, here is how we're growing:



The number of savers at S&L's:
Over the last ten years, the number of savers has doubled.



The amount of savings in S&L's:
Over the last ten years, the amount of dollars in savings accounts has tripled.



The amount of earnings paid out by S&L's:
Over the last ten years, the earnings paid have quintupled.

So, let your savings earn where the earnings are dependable—in

Savings and Loan Associations

©1967 THE SAVINGS AND LOAN FOUNDATION, INC., 1111 "E" STREET, N.W., WASHINGTON, D. C. 20004

MORE COSTLY STRIKES AHEAD

Rising strength of public employee unions
may mean more disruption, poorer service



William L. Kircher, the rough-cast organizing chief for the AFL-CIO, stood before a recent convention of a public employees union.

"The scope of collective bargaining," he thundered, "is only limited by the bonds you refuse to break."

He had spoken these words to other public employees unions, too. This time he was addressing the American Federation of Teachers—less than two weeks before this fall's wave of teacher strikes.

For any teacher who missed his point, Mr. Kircher wore a big, orange button that said, "Huelga!" the Mexican-American slogan for "Strike!"

Strikes by public employees—federal, state and local—are almost al-

ways illegal. But as the past few weeks have amply shown, laws don't always stop unions.

Unions keep right on calling for strikes of public employees; usually, they merely give the strikes other names.

Policemen in Youngstown, Ohio, claimed they were attending "continuous professional meetings" around the pool tables at the policemen's lodge.

Nurses across the land catch a strange, undetectable disease that keeps nurses away from duty.

Teachers carry picket signs past students and maintain they are merely staging "professional protests" after refusing to sign their employment contracts.

Firemen in Nashua, N.H., and Topeka, Kans., pulled "slowdowns"—doing nothing but answering fire calls.

Garbage and trash collectors go on "sick call" while filth piles up in the streets.

New York City's public-paid transit workers were more straightforward last year when they walked off their government-protected jobs. They not only said bluntly that they were striking, but they even defied the state government, City Hall, the courts and the taxpayers to do anything about it.

Their comeuppance for such arrogance was the receipt of record-high wage hikes and complete pardons from prosecution for breaking the laws and damaging innocent persons and businesses.

Today's attitude of public employees unions can be seen in the words of James E. Mundy, organization director for the American Federation of Teachers, AFL-CIO: "Where there have not been laws, we've molded them; where there are laws, we've changed them."

What taxpayers lose

When public employees go on strike, taxpayers understandably feel cheated. They get no tax reduction for services they've paid for but don't get. Worse, they sometimes lose, at least temporarily, their government's primary service, the protection of their rights.

Strikes by government employees seem to be contagious. The yearly number keeps growing. Last year there were three times as many strikes by public employees as the year before. The rate is now more than 1,000 a year.

Public employee strikes presently are concentrated in those areas that are "union-oriented," such as New York and Detroit. But they are spreading.

Three years ago, teachers in Kalamazoo, Mich., voted 10 to one against a strike. Since then, General Motors' new body plant brought many auto workers into the city, injecting a strong labor union influence. Teachers union leaders in Kalamazoo now predict that next time around they'll get an almost unanimous vote in favor of a strike.

Opinions are split on whether it's right to forbid all public employees from striking.

"No one in the public employ should be allowed to push his will against the government for which he works," insists Mrs. Ruth Mancuso, energetic president of the National School Boards Association.

Theodore W. Kheel, the veteran labor arbitrator, agrees that "the superior public right should be foremost" in the cases of police and firemen. But he doubts if strikes by teachers are so damaging to the public interest.

In fact, some believe that the overburdened taxpayers can actually get some relief during prolonged strikes of government employees who are not involved in protecting lives and property—provided that private enterprise is allowed to create substitute services.

The problem of inferior services of many government-run operations is worsened by unions' featherbedding and other make-work practices.

Many other dangers are seen in increased unionization and militancy among government employees.

The biggest danger

The most insidious danger lies in the fact that the union movement is gaining a new and powerful political weapon.

"Whenever you're talking about government, you've got to be talking about politics," observes Prof. Jan Vetter, labor-management specialist at the University of California at Berkeley.

Government unions, just like unions in private industry, are demanding that they be allowed to take over more and more of the decision-making traditionally reserved for management.

Teachers unions, for example, insist on a voice in controlling not

PHOTO: DENNIS BRACK—BLACK STAR



just salaries, but also sizes of classes, types of buildings and even the subject matter to be taught.

An experienced public employee negotiator, John Metzler, predicts that before long school administrators across the land will have to bargain with unions over "both the hardware and the software used in classes."

And, you may be sure, unions will demand that both the hardware, like chairs and blackboards, and the software, like philosophical ideas, must carry union labels.

The AFL-CIO has pressured school boards across the land to drop textbooks from Kingsport Press, Inc., one of the country's largest book manufacturers.

The reason? Powerful AFL-CIO printing locals in the North have been jealous of the business that has gone to Kingsport, a pocket of prosperity in the Appalachia section of Tennessee.

Also, the AFL-CIO is angry with Kingsport employees who want to shake off the AFL-CIO union that supposedly represents them. For four years, the union federation has stalled off a National Labor Relations Board decertification election at Kingsport.

Unions also are trumpeting for

special courses and textbooks in labor history, praising unions. They want history rewritten to show that trade unionism made America strong.

The unions have commissioned favorite professors and writers to prepare such texts and already have formed lists of union-approved books. They are twisting arms on school boards to get the books adopted in classes.

"We must reshape the curriculum," insists Carl J. Megel, the lumberjack-shaped Washington representative for the American Federation of Teachers, AFL-CIO.

In this, unions have the blessing of Vice President Hubert Humphrey, who still carries a teachers union card. At the annual AFT convention he said: "We ought to be teaching labor history in our schools. Most people ought to know about the labor movement: How it was built; of the troubles of many of the early labor leaders; the brutal beatings that many of them had to take."

The Vice President also called for "a little teacher power" and proposed that high school aged youths be required to get a teacher's okay before they could take outside jobs. He said this would make teachers

more important in students' eyes.

Union leaders also saw the possibilities here of another way in which unions can control who gets jobs in America.

The whole atmosphere at the teachers' convention was captured in cards passed out reading, "Our Goal: A Union Teacher for Every Child."

Unions of government workers are proving to be effective funnels for pumping union philosophy into the machinery of other public programs, too, particularly those programs promoting social upheavals.

"The old crusading spirit of the labor movement must be revived with dedication," states snow-haired Nicholas Zonarich, organization director of the AFL-CIO's Industrial Union Department, when addressing government unions.

Today's labor crusades, especially among public employees unions, are mixed up with social activists' programs of many stripes.

Negro leader Martin Luther King recently proposed three mail deliveries a day by three different shifts of workers in order to provide jobs for many of the unskilled unemployed. Some leaders in post office unions immediately hailed the King pronouncement as gospel.

Government unions holding conventions in Washington invariably take time out to stage marches for home rule for the District of Columbia.

Government union leaders, too, are learning the ropes of militancy. The results are disheartening to many dedicated employees who view their jobs as professions.

An intensive independent survey was taken after last year's teachers strike in Richmond, Calif., the first teachers' strike in the state. It showed that the strike had an "unfortunate impact" on students there.

"Strong pressure was exerted toward students, parents, certificated personnel and classified personnel to observe picket lines," the report said. "Some pickets instructed children to go home. . . ."

"Teachers tended to indoctrinate students to justify their positions. . . ."

"Instances of abusive language and threats of retaliation were directed at those classified employees who crossed the picket lines. The instances of minor scufflings could have developed into serious violence."

"A speaker for the AFSCME

Strikes by public employees, like these Youngstown, Ohio, police and firemen, are on the rise as government workers unions flex muscles.



(American Federation of State, County and Municipal Employees) union in a public meeting said: 'A strike is war . . . No blood has been shed yet.' There was emphasis on the word 'yet.'"

Pupil respect for teachers was badly ruptured. Students viewed their teachers as disenchanted with and alienated from their jobs.

"The best part of teaching is that of setting an example," comments Mrs. Irvin E. Hendryson, president of the National Congress of Parents and Teachers. "In this country we have a public that idealizes teachers a great deal more than the teachers live up to it."

The highly respected Earl C. Funderburk, school superintendent of Fairfax County, Va., adds: "I don't think I'd be proud to teach if I went on a picket line. What would I say to my students? How could I look them in the eye if I became part of a group ruled by a mob with slogans?"

Such growing problems presented by the unionization of government employees appear to have many tangled roots.

Why the pay problem?

Certainly a main cause is the fact that state and local governments can no longer pay competitive wages for crucial government functions, such as police protection. This stems mostly from three situations:

1. The federal government has usurped many of the taxable areas which states and local governments once relied on.
2. Most taxpayers have been strained to their limit.
3. Tax money which could be spent on higher wages for those who protect lives and property is being diverted to hundreds of "social" and "educational" programs such as cost-sharing requirements under the vast array of federal grant-in-aid programs.

Such drains on public funds have been vigorously espoused by the very trade unions that now bemoan the fact that governments are too broke to bend to all their demands. For years unions have dreamed up and backed schemes for government take-overs of more and more functions.

Also at the root of increased problems with public employees is that there are so many more public employees these days. And, as the

number of people getting government pay checks grows, government unions get richer and bigger.

Prof. Russell A. Smith, former chairman of Michigan's Advisory Committee on Public Employee Unionism, estimates that by 1975 one out of every five American civilians will be employed by either his federal, state or local government.

About 1.3 million federal workers belong to unions. And more than half of the three million federal employees are required to be represented by unions through exclusive recognition agreements.

Fastest growing unions

The fastest growing unions in the AFL-CIO fold are the American Federation of State, County and Municipal Employees, which has leaped from 99,000 to 290,000 in the past 12 years; the American Federation of Government Employees, whose 250,000 members are twice the membership of two years ago; and the American Federation of Teachers with a 140,000 membership.

The AFL-CIO's drive to organize public employees has been goaded by its difficulties in keeping up membership in traditional union strongholds.

Even more important have been the hair-yanking organizing rivalries between AFL-CIO government unions and outside unions and quasi union "professional associations," such as the million-member National Education Association. AFL-CIOers sometimes refer to NEA locals as "company unions."

The AFL-CIO has plunged enormous sums of its tax-free money into organizing government unions. Its main instrument has been its Industrial Union Department, called by many government unionists "Big Daddy" or "The Bankroller." Since 1961 the IUD has given \$1.1 million to the American Federation of Teachers alone.

AFL-CIO leaders figure they'll be getting all the money back with interest in years ahead. Bigger locals mean bigger assessments to the national office and a richer, more powerful organization for fighting the managements of private business as well as government agencies.

Increased union gains among public employees are also due to the inexperience of most government personnel people in dealing with

unions and collective bargaining techniques.

Government negotiators are often baffled by the way unions try to build their collective strength by erasing differences in pay scales—no matter what individual employee performances should be. Unions want unions, not individuals, to get the credit for pay raises.

Also, unlike management negotiators in private business, most government negotiators don't feel they're bargaining with their own money. And their bosses, usually political appointees, figure the extra bite on taxpayers won't create as many angry voters as a group of public employees stirred up by union agitators.

Many public employee groups wield tremendous lobbying power in legislative and administrative halls. For years they have maintained that governments should encourage collective bargaining and protect strikers inside government as they do outside government.

This has resulted in a series of edicts bolstering the bargaining position of government unions. Most notable among these is Executive Order 10988 issued in 1962 by President Kennedy.

This order generally gives the federal government's blessing to federal employee organizations and states they have a right to bargain with the United States government.

It flatly declares: "Participation of employees in the formation of personnel policies affecting them contributes to effective public business." Unions have used this order as their "bill of rights" in organization efforts among state and local employees, too.

President Johnson last September took another long step in helping government unions. He formed a special Cabinet-level committee, under Labor Secretary Willard Wirtz, for considering federal union problems. Union officials welcomed the committee as another device for jumping over the heads of government personnel people to air their grievances and demands.

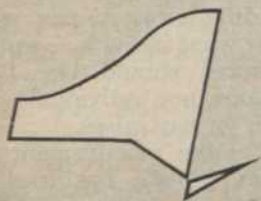
Among things unions are asking the committee to do are:

1. Broaden the issues that can be negotiated.
2. Require arbitration of deadlocks in contract negotiations.
3. Form a "little NLRB" to oversee federal employee relations.

Gains by federal employees, of

Free to Manufacturers.

INDUSTRIAL LOCATION SERVICES



EXPERT • FACTUAL • CONFIDENTIAL

We've helped lots of Manufacturers increase profits. Why not you?

An average of 700 manufacturers a year are establishing or expanding operations in New York State. They are discovering that it pays to do business in the nation's leading industrial state. Here's where the profits are because:

You get big markets. The average personal income of New Yorkers is nearly \$550 more than the national average. We're within easy reach of over 60% of the personal and disposable income of both the United States and Canada.

You get tax advantages. New York's business taxes are more responsive to actual business conditions and you can write off depreciable assets such as plant and equipment at twice the federal rate. Let our specialists tell you all the advantages you receive in New York.

Free brochure. Send for "Industrial Location Services," which explains how we can help you locate or expand in New York State. And for further information, check the coupon below and mail with your letterhead. Or phone (518) 474-4100. Or contact us through any reliable third party.

NEW YORK STATE DEPARTMENT OF COMMERCE

Write in confidence to:
Commissioner Ronald B. Peterson
New York State Dept. of Commerce
112 State Street — Room 429
Albany, N. Y. 12207

Gentlemen: Please send the following:

- | | |
|---|--|
| <input type="checkbox"/> Industrial Location Services | <input type="checkbox"/> Plant Financing |
| <input type="checkbox"/> Tax Advantages for Business | <input type="checkbox"/> New York State Business Facts |
| <input type="checkbox"/> Money for Manpower | <input type="checkbox"/> International Commerce |

MORE COSTLY STRIKES AHEAD *continued*

course, rapidly trickle down to state and local employees. And they tend to push up wages further in private industry.

Most unionists would like to give government employees all the weapons enjoyed by union members in private industry.

"There are no fundamental differences between public and private employees," maintains Joseph Grodin, California labor lawyer.

The recent waves of public employee strikes have shown the influence of activists from anti-Viet Nam, antisegregation and antiauthority demonstrations who have filtered into union ranks.

"There's almost a public-b damned attitude on the part of the unions," complains Theodore Clark, whose Chicago law firm represents many school boards.

Another disturbing development is the way government officials, charged with administering the laws, shy from invoking laws forbidding such strikes.

Most suggestions for solving the problems created by public employees unions boil down to socking taxpayers harder to meet union demands.

Other, less costly, suggestions are that citizens should:

- Insist upon the enforcement of present laws that forbid strikes.
- Work to reduce the number of public employees not directly involved in guarding the lives and property of citizens.
- Strive to defeat political candidates who are indebted to unions.
- Fight for laws to restrict unions from using dues money for political spending.
- Make members and officers of public employees unions responsible for damage done by their illegal strikes.
- Support increased use of public funds for upgrading the armed forces, the police and the courts, while cutting down on unnecessary frills.
- Urge that mass resignations submitted by striking nonvital public employees, including many in public education, be accepted.
- Encourage better personnel practices and two-way communications between government managers and employees.
- Help improve personnel practices by urging that many of the functions now handled by political appointees be turned over to trained



Jerry Wurj, an official of a state, county, municipal workers union, addresses labor leaders' meeting.

civil servants who understand the problems in their departments.

- Push for more mediation and fact-finding by neutrals in disputes involving public employees.
- Stop approving politicians' programs for easing union take-overs of government employees.
- Rely upon the normal governmental legislative process to supply the needed wage and hour improvements, instead of encouraging one-sided collective bargaining by public employees.
- Acknowledge that public employees unions are indeed unions. Firemen this year tried to get immunity from North Carolina's restrictions on government unions by claiming that their Firemen's Association was not a union. Their contention crumbled when it was shown that the Firemen's Association was a member of the AFL-CIO, had engaged in a NLRB election and had distributed literature extolling strikes.
- Impress upon government officials that taxpayers have no intention of continually supporting union demands that their members receive more than the market value of their services.

END

We built the Hermes 3000 to be the first small office typewriter.

Can you think of anything we've forgotten?



FBI warns about:



THE CHRISTMAS TRADE NO BUSINESS WANTS

BY J. EDGAR HOOVER

Director, Federal Bureau
of Investigation



More and more the members of the organized underworld are focusing their ruthless quests for wealth on businessmen.

Extortion, blackmail, traffic in counterfeit securities, thefts of valuable shipments are but a few of the ways these vicious men are directly attacking honest businessmen and indirectly all citizens.

An old scheme—planned bankruptcy—recently has gained favor with the organized underworld. Bankruptcy—the specter of failure—has always been feared by the honest businessman. But organized crime has added a new dimension of fear for businessmen—fear of being “taken” by dishonest customers who deliberately go bankrupt while owing honest businessmen huge sums.

The underworld has even coined its own term for the planned bankruptcy—the hoodlums call it “scam.”

This is just the time of year when the risk is highest for honest businessmen. Scam merchants are now doing their “Christmas shopping.”

They have various methods of getting into the scam business. Often they make use of some es-

tablished company where they gain a foothold as a result of gambling debts on the part of owners. Or maybe they capture the company through some loan shark operation whereby the owner cannot meet the payments of the high-interest loans so easily obtained and so difficult to repay. This is called “shylocking” or the “juice racket” in the underworld.

At other times members of the organized underworld have purchased companies or created them solely for the purpose of going bankrupt.

How scam artists work

The ideal scam develops from the take-over of an established company which has a good credit rating. This enables the scam artist to go immediately into the money-producing phase of the operation—the purchase on credit of huge stocks of various products which can be quickly turned into cash by resale at reduced prices or passed along to fellow hoodlums who control legitimate outlets for the merchandise involved.

The scam operator generally deals in merchandise which is easy

to transport and very difficult to trace. Among the more common items are toys, electrical appliances, television sets, record players, radios, typewriters, cameras, watches, jewelry, furs, luggage, furniture, automobile accessories, clothing, meat and other food products.

The hoodlum bankrupt does not restrict his interest to only a few products. While the company he plans to bankrupt may have dealt only in toys throughout its existence under legitimate operation, the scam man, when he takes over, may well purchase—on credit—huge stocks of as many as 10 or more products ranging from canned foods to adding machines.

A case which ended late last year with conviction and sentencing of four individuals with underworld connections shows just how a scam operation works. This case started in the summer of 1963, when the operator of Robinson Wholesale Co., a discount store in Bettendorf, Iowa, decided to sell the not-too-profitable business. He was contacted by two men from Chicago and eventually an agreement was reached whereby the owner would sublease the building and sell the

fixtures to a group which was incorporated as Harris Discount Center.

No merchandise was involved in the transaction. Harris Discount Center took over the premises early in September, 1963. Almost immediately about 1,500 copies of a form letter went out to the various firms which previously had contact with the Robinson Co. announcing the take-over by Harris Discount Center and inviting the suppliers to send salesmen, samples, literature and price lists.

A note of urgency was included by referring to the approaching Christmas season. An unaudited "balance sheet," indicating assets of over \$43,000, was included with some of the letters as well as lists of credit references.

On a shoestring

Only a few thousand dollars actually was "invested" in Harris Discount Center. The bulk of this, \$5,000, was "loaned" to the operators by an individual they induced to come to Iowa at his own expense to serve as a buyer. He was promised ultimately the position of general manager.

The principals in the operation were Harris Calvin Jacobs, Burton S. Wolcott, Irwin J. "Pinky" Davis and Alan Robert Rosenberg. All except Jacobs used assumed names in Bettendorf. They spent no more than six weeks in Bettendorf, but during that time they ran up huge bills with area merchants, leasing companies, travel agencies and transportation companies, many of which were never satisfied.

Shortly after opening its doors in September, 1963, as Harris Dis-

count Center, merchandise began to arrive. It included such items as jewelry, building materials, bathroom fixtures, radios, televisions, various household appliances and automobile tires ordered from 200 suppliers.

Local employees, astounded to find merchandise which had been delivered one day gone when they reported for work the next day, were told it had been taken to the "warehouse across the river" while the store was being remodeled.

No retail sales ever were made from the store. Merchandise valued at more than \$175,000 was purchased, either on credit or through postdated checks.

These checks provided the first concrete clue to the illegal operation when local merchants learned there were not sufficient funds to cover them.

On Nov. 27, 1963, a petition in bankruptcy was filed against Harris Discount Center. It was declared bankrupt in December, 1963. The referee in bankruptcy was able to recover less than \$6,000, including some store fixtures.

An extensive FBI investigation led to the indictment of Davis, Rosenberg (now deceased), Wolcott and Jacobs on Nov. 16, 1964. They were brought to trial on Aug. 1, 1966, in federal court, Des Moines, Iowa, charged with one count of conspiracy to violate the national bankruptcy laws and seven counts of mail fraud.

Each was convicted.

On Sept. 9, 1966, each was sentenced to five years on each of the eight counts, the sentences to run concurrently. Davis and Rosenberg were fined \$10,000 each, Wolcott

was fined \$5,000 and a \$1,000 fine was imposed on Jacobs. Appeals were filed and within two hours all four were freed on bond.

Working the juice racket

A classic example of underworld seizing and scamming an established business occurred in New York City. It involved the Murray Packing Co., Inc., a wholesale meat and poultry enterprise.

Late in 1960, this firm faced a financial crisis. A salesman for an affiliated business learned of the plight and offered to arrange a quick loan through a friend.

A loan of \$8,500 at an interest rate of one per cent per week was put through the Jo-Ran Trading Corp.

The high interest on the loan compounded the company's financial problems. The owners soon were "talked" into selling a third interest in the company to the salesman who had obtained the loan. Almost immediately he took over as president.

Business promptly improved. The Pride Wholesale Meat and Poultry Corp., a small customer for some time, began to tremendously increase its orders. In a few weeks it purchased over \$900,000 worth of produce. The sales price was later determined to be below Murray's cost.

The new Murray president moved the company bank account to the same bank used by Pride Corp., and in a matter of days withdrew \$750,000 which never was accounted for. Not long afterward, Murray went into bankruptcy. It owed more than 100 creditors over \$2 million, most of the debts in-

How businessmen are victimized

The cost of fraud to business is estimated at a conservative \$100 million a year by Allen E. Bachman, executive vice president of the National Better Business Bureau. Fraudulent schemes and promotions involving the mails are of prime concern.

Misuse of credit cards also is a growing problem, particularly in the airline industry, says Franklin Oelschlager of the Air Transport Association. Be-

suspicious of someone offering airline tickets at a fantastic cut rate, he advises.

Fraud peddlers out to make a quick buck sometimes try to do it a dollar or two at a time. Among other things they offer advice on how to get loans to distressed businesses, terrific profits in stock and bond schemes or real estate or even a sure winner in a horse race.

END



How much is it this time?

How much is it costing you to dabble in the trucking business?

You might be in some other business. But if you own a fleet of trucks, you're in the trucking business too.

And this little sideline is probably costing you more than you realize.

Money is just part of it. You've got to consider the cost of unnecessary downtime and time spent away from your own business.

Avis' business is trucks. So we make money doing what you lose money doing. Meanwhile you can devote all your time to your own business.

And this way maybe we both can make a buck.

To find out more about leasing a fleet of GMC's or other trucks from Avis, just send your Name _____ and your

Firm's Name _____

and Address _____

to V.P. and Sales Manager, Truck Leasing, Avis Rent A Car System, Inc. 900 Old Country Road, Garden City, New York 11530 Dept. NB-II

The Other Avis
(Avis Truck Leasing)

curred in the last few weeks of operation.

An FBI investigation disclosed the salesman-president, Joseph Pagano, was a member of the Vito Genovese La Cosa Nostra family. It revealed Pride Corp. was controlled by Peter Castellana, a member of Carlo Gambino's family.

Castellana also was identified as a partner in the Jo-Ran Trading Corp. which made the loan to Murray. The investigation led to these two men being sentenced in February, 1965, to five years in federal prison and fines of \$45,000 each.

Four other persons involved in the fraudulent bankruptcy received lesser sentences.

Many angles to shoot

The professional bankrupt artists will use many methods to secure extensive credit. For example, they will pick a name for their soon-to-be-bankrupt company closely similar to that of a well-established and widely known firm in the area.

Many companies with careless credit departments have discovered too late that Jones Brothers Sales has no connection with the famous Jones Brothers, Inc.

Other professional bankrupts have lulled many suppliers into their trap through quick payments for one or two small orders. Then comes the big order for which payment will never be made.

Another method which has proven successful for the scam artist involves ordering off-season products when the suppliers are anxious for business.

Scam operators are doing their "Christmas shopping" now, urging speed in the delivery of their orders. They bank on suppliers and manufacturers taking the risk in filling a big Christmas order for fear it might be lost if they wait for the normal delay of obtaining a proper credit check.

The FBI is alert to these schemes. Often we learn from our sources that a scam is being carried out, enabling us to trace some of the merchandise before it is hopelessly lost through transshipments and sales. In the last four fiscal years, FBI investigations have resulted in 185 convictions under the National Bankruptcy Act and savings and recoveries of almost \$5 million.

But the members of the organized underworld will continue to take advantage of the honest citizens of this country through scams so long

as they find it easy to obtain huge amounts of valuable merchandise on credit. To stop these frauds, it is imperative that greater care be taken by suppliers and manufacturers in checking the identity and reliability of their customers.

Other underworld dodges

The FBI has had notable recent success in investigating other thrusts by the underworld against businessmen. For example, Sam Battaglia, who reportedly replaced Sam Giancana as boss of the Chicago La Cosa Nostra family, and Joseph Amabile, one of his top lieutenants, were sentenced to 15 years in prison and fined \$10,000 last May, for conspiracy to extort some \$250,000 from a suburban Chicago contractor.

A third man was sentenced to 10 years and fined \$5,000. Bond has been denied them, and they are confined to jail while their appeals are being considered. These convictions resulted from a cooperative investigation by the FBI and the Internal Revenue Service.

Another top racket figure in Chicago, Marshall Caifano, was sentenced to prison for 12 years last June, following a guilty plea to charges of fraud by wire, interstate transportation of counterfeit securities and conspiracy. Three associates, convicted with him in connection with defrauding an Indiana lumber dealer out of more than \$42,000, received lesser prison terms.

Caifano will serve this sentence concurrently with a 10-year sentence received in Los Angeles in 1964 for extorting \$60,000 from a wealthy oilman.

A 50-year sentence and \$20,000 fine were imposed last April on New York hoodlum John Franzese for masterminding a series of bank robberies in New York, Massachusetts and Utah.

Ten other members of the gang also have been convicted and sentenced.

A six-year prison term was meted out to Michael Joseph Scandifia, alleged captain in the Gambino family of La Cosa Nostra, following conviction last June for interstate transportation of counterfeit oil company bonds.

Sentences ranging from 10 to 20 years were imposed on Chicago hoodlum Ernest Infelice and 13 other mobsters last June, for thefts of interstate shipments of photo-

graphic equipment and silver valued at approximately \$1 million.

Charles Battaglia was sentenced to 10 years in Tucson, Ariz., last January, on charges involving an extortion of a vending machine company operator.

Fifteen individuals involved in 21 cases in a nationwide extortion gang preying on wealthy and prominent homosexuals have been convicted. More than 30 charges are pending trial in this continuing investigation.

Fighting the mob

The FBI has identified La Cosa Nostra as the ruling organization within the underworld, infiltrated it and the cooperating gangs and identified the leaders and most of the members. FBI investigations have led to some 440 convictions for violations of recently passed laws, and over 335 other charges await trial or grand jury action.

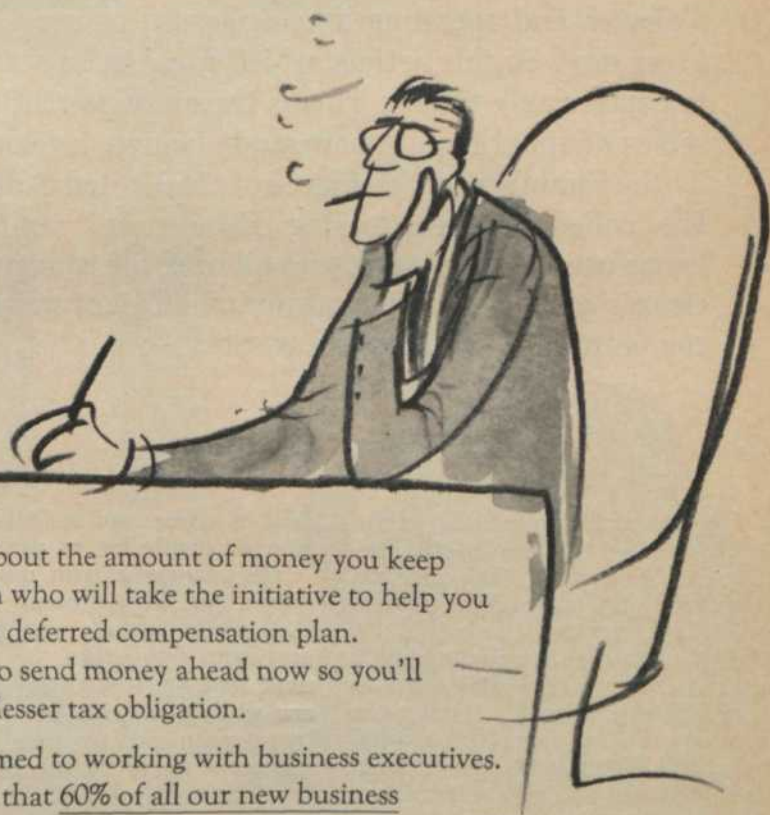
At least of equal importance is the vast amount of evidence gathered by the FBI during its investigations and from sources concerning violations of other federal laws and various local and state laws. This information, furnished promptly to appropriate authorities, has led to thousands of arrests—3,748 during the last fiscal year—by other law enforcement agencies. Often this dissemination is done in the form of sworn affidavits on which arrests and search warrants can be based.

Organized crime can and does hurt the businessman in many ways. The morale and efficiency of employees can be greatly impaired by underworld gamblers, loan sharks and drug pushers.

Criminally controlled businesses, often in concert with hoodlum-dominated unions, can destroy legitimate competitors through dishonest and underhanded methods. And these assaults on the business community indirectly affect every American through poorer service, increased prices, higher insurance rates and taxes.

Law enforcement is locked in a bitter battle to halt and destroy the forces of organized crime. The businessmen of the country can be of tremendous help. Refuse to have any dealings with members of the underworld. Be alert to their schemes and promptly report their illegal operations to proper authorities. Join in the fight to bankrupt the business of the underworld. **END**

A sensible plan for men in ridiculous tax brackets



Do you find yourself more concerned about the amount of money you keep than the amount you make? There is a man who will take the initiative to help you get yourself a better break with a deferred compensation plan.

He'll discuss ways for your company to send money ahead now so you'll get it when you have a lesser tax obligation.

The man from New England Life is accustomed to working with business executives. They welcome his help. So much so that 60% of all our new business is paid for by business check.

New England Life

New England Mutual Life Insurance Co. • Advanced financial planning with Individual and Group Coverages
• Offices throughout the Nation • Home Office: 501 Boylston Street, Boston, Mass. 02117

WHAT TAXES AND SPENDING DO TO THE ECONOMY

Taxes and spending are big issues before Congress now. So this article, which is part of a series, is particularly timely. This is the sixth part of the series adapted from a new study course developed by the Chamber of Commerce of the United States. It's called "Understanding Economics," and is being used to give employees all over the country a clearer idea of how this powerful, efficient private competitive system of ours works.

The American nation has grown tremendously in people and resources. Meanwhile, the size and scope of their government has expanded even faster.

At the turn of the century, only one out of every 24 workers was on a government payroll. Today the ratio is one in seven. The total spending of federal government alone has risen nearly eight times as fast as national output. Moreover, the government debts of the American people have risen from about six per cent to about 30 per cent of their total indebtedness.

It is clear that government today is playing an increasingly larger role in the lives and work of the American people.

Will the growth of government diminish freedom?

Historically, Americans have sought to guard their freedom through a constitutional system involving a separation and balancing of governmental powers. Their ideal has been to encourage as much free-

dom of action and as little compulsion or regulation as possible.

The economist can only illuminate a part of this broad issue, yet it is an important part. Using his economic yardsticks, he can estimate how much work and resources are applied to activities performed by government. In some cases, he can make judgments about economic efficiency or effects of these activities.

Government spending mounts

Federal spending is almost double state and local spending combined.

One reason for increased government spending is the increase in the scope of government. This reflects persistent historical trends—population growth, the increasing urbanism and industrial character of the nation and the desire of people for security and protection against the risks of industrial and urban life.

Pressure to increase such spend-

PHOTO: GEORGE JAMES



ing through further enlargement of the scope of government is strong. It comes from those who believe that the federal government should increase its responsibility for economic security and social justice.

Another reason for the increase in government is the rising price of government services, such as salaries of teachers, policemen, firemen and other employees in the face of lower rate of gain in productivity in government than in industry.

Some people tend to minimize any threat of increased centralized power, arguing, rather, that centralism is often needed to cope with large aggregates of private power.

Others challenge the view that

government growth is inevitable or irreversible. They suggest that government has grown, in part, because individual initiative and local responsibility have been weakened by the very process of increasing federal programs to promote security.

Because the federal government has pre-empted local sources of taxation, they argue, now the federal government receives nearly two thirds of the tax dollar and local governments receive only one fifth. They also argue that there is a built-in tendency for government to promote its own growth.

When the federal government spends less than it receives in reve-

nues, the budget is in surplus. When spending exceeds revenues, the budget is in deficit. A deficit is financed by borrowing. For example, if the deficit for a fiscal year is \$10 billion, this usually means the Treasury must borrow an additional \$10 billion. It does so by "issuing"—that is, printing and selling in the securities market—new government securities in the amount of \$10 billion.

So the federal debt reflects past budget deficits.

When Washington adds wealth

By spending more than the revenue from taxes, government tends to stimulate employment and pro-

These men are at center of taxing and spending controversy—Council of Economic Advisers Chairman Ackley, House Ways and Means Committee Chairman Mills, Treasury Secretary Fowler and Budget Director Schultze.





President Johnson would use taxes as way to halt inflation.

duction. So deficit spending in a recession may have the effect of adding to the nation's wealth. By stimulating fuller use of the nation's manpower and industrial plant, the government debt tends to become productive.

If the economy is at full employment, many people believe the government should run a budget surplus, which can be used to pay off some of its debt and prevent inflationary pressures.

Expenditures of state and local governments have increased more than any sector of the economy during the postwar period. Revenue from property and sales taxes were the major source of growth; however, state income taxes have also risen.

Inheritance and gift taxes are levied in most states, with federal and state governments sharing them.

Local revenue shrinks

While the federal government almost doubled its share of tax dollars, the localities saw their share more than halved in recent years.

One way this problem has been met is through federal grants-in-aid to states and state grants-in-aid to localities. The federal government, with its superior tax-collecting ability, has made grants to the states for highways, public welfare assistance, vocational and agricultural education and other activities.

These grants allow the federal government to impose uniform standards on programs. They have also served, to some extent, to equalize regional differences in income, although some programs, such as federal urban renewal, serve to increase such differences.

Likewise, many states give grants-in-aid to localities for school construction, textbooks, highways and public welfare. This allows poorer sections of a state to maintain the same minimum standards as wealthier sections for schools, roads and basic human maintenance.

Since production and economic activity are unevenly distributed, however, income differences continue between regions of the country, and between cities of different sizes in the same region. Because of the dynamic changes occurring all the time in the economy, income differences will probably persist and continue to give incentives to people and industry to move to places of superior productivity.

People concerned about the need for easing the financial plight of state and local governments have advanced some proposals to strengthen these governmental units. Such people prefer to see local government solutions to local problems whenever possible.

Demand for services rises

The steady increase in population and the likely continued migration to metropolitan areas will further increase the demand for local and state service. Most proposals recently discussed have been designed to give help to the states and localities while preserving local control.

However, Congress so far has preferred specific grants, designed to foster particular spending purposes such as highways, education, urban renewal and rehabilitation, mass transportation and the like.

Because the government's spending and taxing are not subject to the disciplines of the profit motive and competition, economists have wrestled with the problem of how to apply economic concepts to the field.

Great strides in rational budgeting have been made in the Department of Defense under the leadership of Secretary McNamara. By concentrating choices between alternative weapon-systems the Department of Defense is now able to evaluate alternatives by a meaningful process, to strive for least-cost solutions and to weigh benefits against cost. As a result, the President has a clear idea of how much is being spent for each strategic purpose.

To be sure, in such areas of spend-

ing as education and research, benefits are hard to calculate.

Americans ante up willingly

The American tax system annually collects huge revenues. This small miracle occurs each year with no violence or bloodshed, and only a little griping.

One great source of our national strength is our willingness to pay taxes. Such elementary honesty, often underrated by cynics, is a lesser-known tribute to the character of American democracy.

Tax systems must be fair. They also affect the stability, efficiency and growth of the economy.

Every tax consists of a tax base and a rate structure. If you have a house assessed at \$10,000, the base of the property tax on it is \$10,000. The tax base for the real property tax for a state is the total of assessed valuation for the state.

The rate structure of a tax refers to the set of rates levied by the tax. A sales tax may have a single rate, such as four per cent. The federal income tax has a complicated rate structure.

Who pays taxes? Clearly, the manufacturer actually pays the tax bill for the stamps he places on cigarette packages. But does he actually bear the burden of the tax?

For example, most agree that the cigarette stamp tax is shifted by the manufacturer to the consumer. That is, the manufacturer simply raises the sales price of the cigarettes to pass the cost of the tax along to the consumer—the incidence of the tax is on the consumer. Here, incidence means the final resting place of the tax burden.

In particular instances, tracing the final incidence of taxes is difficult if not impossible.

Standards of equity

Two standards of equity are used to evaluate the fairness of taxes: The benefit principle and the ability-to-pay principle.

The benefit principle holds that taxes should be paid by those who benefit from the government service. Otherwise, the tax is a subsidy to users of the service. The users gain the service at the expense of others.

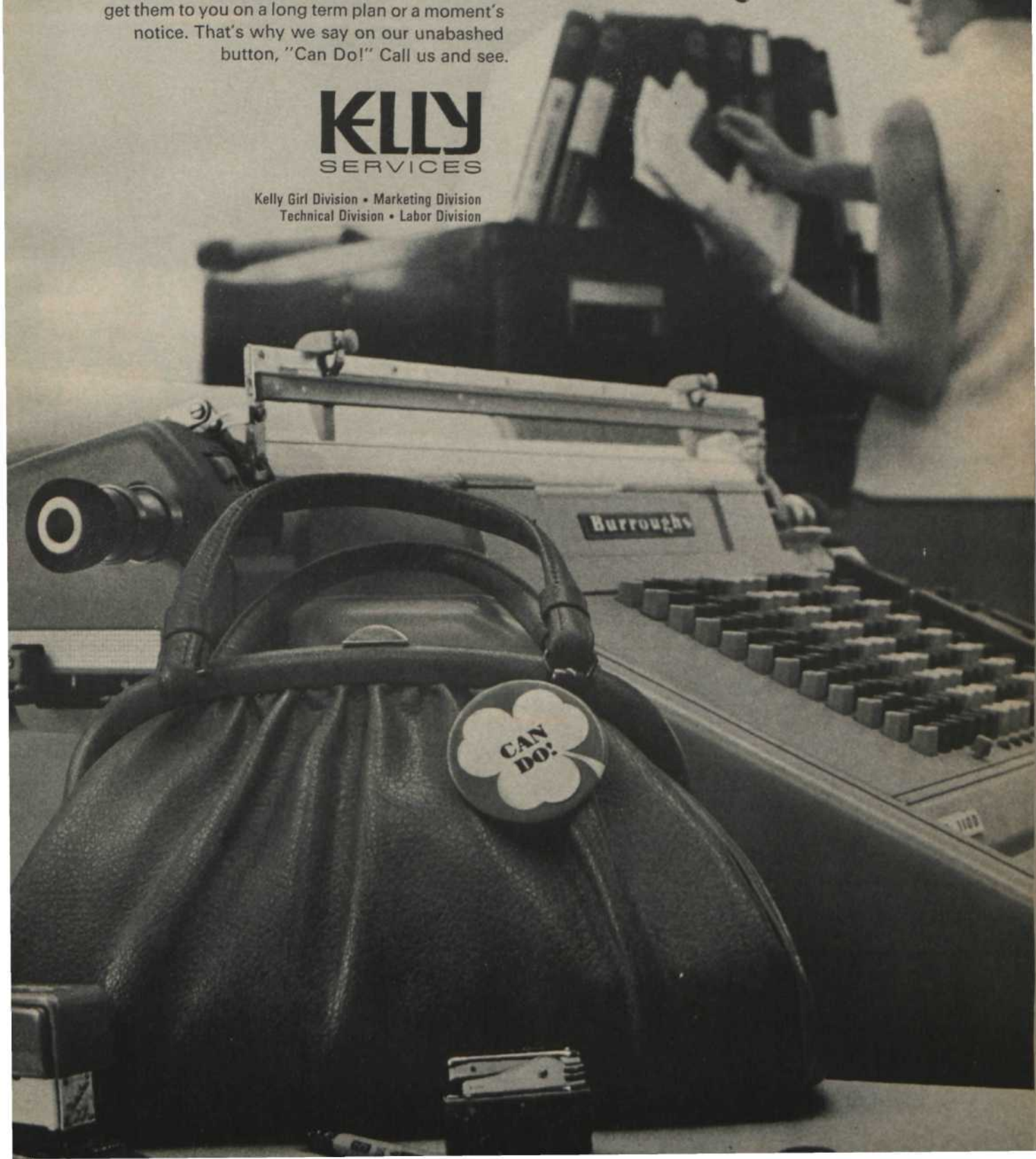
The gasoline excise tax charges those using cars, in order to pay for highways. This seems fair in principle. Yet it is not followed for such important functions as public

Burroughs counts on Kelly to do lots of chores. Like hand posting, accounting, and search and destroy on outdated files. We've sent them a legal stenographer, a fashion model and even (wonder of wonders) a typist with good penmanship. Like many other companies, Burroughs has found that Kelly people complement their regular staff, and fit in almost anywhere. And the best part is, they reduce overhead, overtime and overstaffing—and still get everything done from stenography to billing to stock handling. You see, Kelly is more than pert secretarial help. We offer experienced technical specialists, trained marketing help, and willing laborers, too. And we can get them to you on a long term plan or a moment's notice. That's why we say on our unabashed button, "Can Do!" Call us and see.

Kelly Girl® helps Burroughs search and destroy.

KELLY
SERVICES

Kelly Girl Division • Marketing Division
Technical Division • Labor Division





There it was, the greatest improvement in copiers, just sitting right in our own backyard.

Actually, we were very happy with our Pitney-Bowes 250 Copier. But one day, one of our engineers was looking out the window and he saw one of our other machines, a mail inserter, being loaded on a truck for delivery. There's an automatic feeder on it, so no one has to stand around and hand feed every piece of paper. "Why don't we put one of those on our copier?", he said.

And we did.

And now, besides having one of the best electrostatic copiers on the market, we have the first one that can feed itself. All you have to do is stack the pages (up to 100) in the feeder, press the button and walk away. The feeder feeds the copier and the copier copies. No one has to stand around to watch. When all the pages are fed, the feeder stops feeding and the copier stops copying.

All copies come out in consecutive order, separated from the originals, so each set is already collated. If you need five sets or thirty, just keep putting the whole set of originals back in the feeder and picking up the collated ones as they come out.

The Pitney-Bowes 250 is a compact unit that sits on a desk, plugs in anywhere, makes clean, crisp, electrostatic copies, copies from all colors, cuts copies to the size of the original, starts with no warmup and is truly a piece of machinery that we're very proud of. One of the nicest things is that you can buy the 250 now and add the automatic feed attachment whenever you're ready for it.

Wonder why no one else thought of it?



Pitney-Bowes

Postage Meters, Addresser-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mailopeners, Collators, Copiers. For information, write Pitney-Bowes, Inc., 1381 Crosby Street, Stamford, Conn. 06904.

education, which some citizens might not be able to afford.

The ability-to-pay principle was evolved by Adam Smith in 1776 as the first canon of fair taxation. This calls for richer people in a community to pay more taxes than the poor. Also, it can be interpreted to imply that people who are similarly situated pay the same taxes.

Which tax base? The choice of a tax base must be made under one of the equity principles. Shall it be income, wealth, consumption? In fact, all three are used in our tax system.

One school of thought holds that all taxes should be considered to fall on incomes, whatever their nominal base.

Another approach is to tax wealth, as our gift and estate taxes do.

A third approach is to tax consumption. The argument here is that consumption represents the resources a person actually withdraws from the economy.

What rate structure? How should income be taxed? Should the rate structure be proportional, with equal tax rates applied to each income level? This was Adam Smith's view.

A rate of 10 per cent applied to incomes of \$5,000, \$10,000 and \$100,000 is proportional. People at each income level pay the same rate.

Our view today is that rates should be graduated on incomes. This means that the fraction of income, paid in taxes, increases for larger incomes, so that the increase in tax payments is more than proportionate.

We levy a 14 per cent tax on taxable incomes of \$500, and 70 per cent on amounts of income over \$100,000.

Rates of taxation

While our income tax has a graduated (progressive) rate structure, other taxes such as sales and excise taxes have a regressive effect. A four per cent sales tax requires all income receivers to pay four per cent on their purchases.

But we know that low-income receivers save little, if any. Hence, they pay the tax on nearly all their income.

High-income receivers save a larger portion of their income; hence, they pay a smaller fraction of their income through the sales tax.

The incidence of the federal income tax, while progressive, is not wholly indicated by the rate structure. Many individual and business decisions have come to be based partly on tax considerations. The result is that business is often done in a way that keeps income tax payments as low as possible.

This is, of course, perfectly legal and ethical; indeed, it is only a part of the rational process by which businessmen attempt to produce at the least cost, and to maximize profits. Since the profits rate averages only about four per cent of sales for U. S. corporate firms, for many, income tax savings are important to survival.

Capital gains taxed less

A person who sells stocks, real estate, or other property for more than he paid for it is not taxed at the regular rate for that income. He is taxed at half the regular rate, up to a rate of 25 per cent, if he holds the asset more than six months.

Favorable treatment is given capital gains for several reasons. Progressive tax rates certainly have cut high incomes about in half, thus making it twice as hard for individuals to accumulate capital. This is dangerous in a capitalist society because the only other source of personal income is labor, a source not as productive as capital.

If in a capitalist society we do not have individual savers (capitalists), then we may cease being a capitalist society. If only corporations are able to accumulate capital, we may become a corporate society.

The capital gains provision is also a safety valve for the progressive tax structure. Capital gains are thought of as funds to be reinvested, and for that reason, to be encouraged rather than spent, as is regular income. Finally, they involve a risk not undertaken in gaining ordinary income.

Some observers believe our economy needs more capitalists, not fewer. They argue that earnings from capital form the best way to distribute productivity gains and leisure—much to be preferred over government payments. This concern illustrates the subtle but powerful impact of the taxing power on the economy.

Localities do not wish to see the law changed because they want to

keep the marketing aid represented by this exemption.

To show further the power of the tax system, we may look at the impact of the corporation income tax. The base is net income of corporations. The government is, of course, almost an equal partner in every corporation paying the 48 per cent rate, unless the tax is shifted. By taking 48 per cent of all profits, the government lowers the net return, after taxes, expected on investment projects.

Financing new businesses is surprisingly difficult, because their fate is so uncertain. Retained earnings are their lifeblood. Further, a new corporation with a new product must expand rapidly, or some older company will imitate the product and take over the market. By taking half the profits, the tax greatly slows down the rate of expansion from retained earnings.

The result is, often, that many small, growing firms sell out to large companies and disappear. As they do, independent sources of economic power disappear, along with the chance to diffuse such power widely.

Authors of textbooks resort to the term, "mixed economy," in trying to describe our present system. The economy is a mixture of private and public activity. It does not neatly fit a simple formula such as "purely competitive," or "strictly capitalistic," or "pure free enterprise."

Still, the motive force in the economy, by and large, is the market for private goods and services which makes up 70 per cent of total national income. Along with it, government spending accounts for about 30 per cent of total national income.

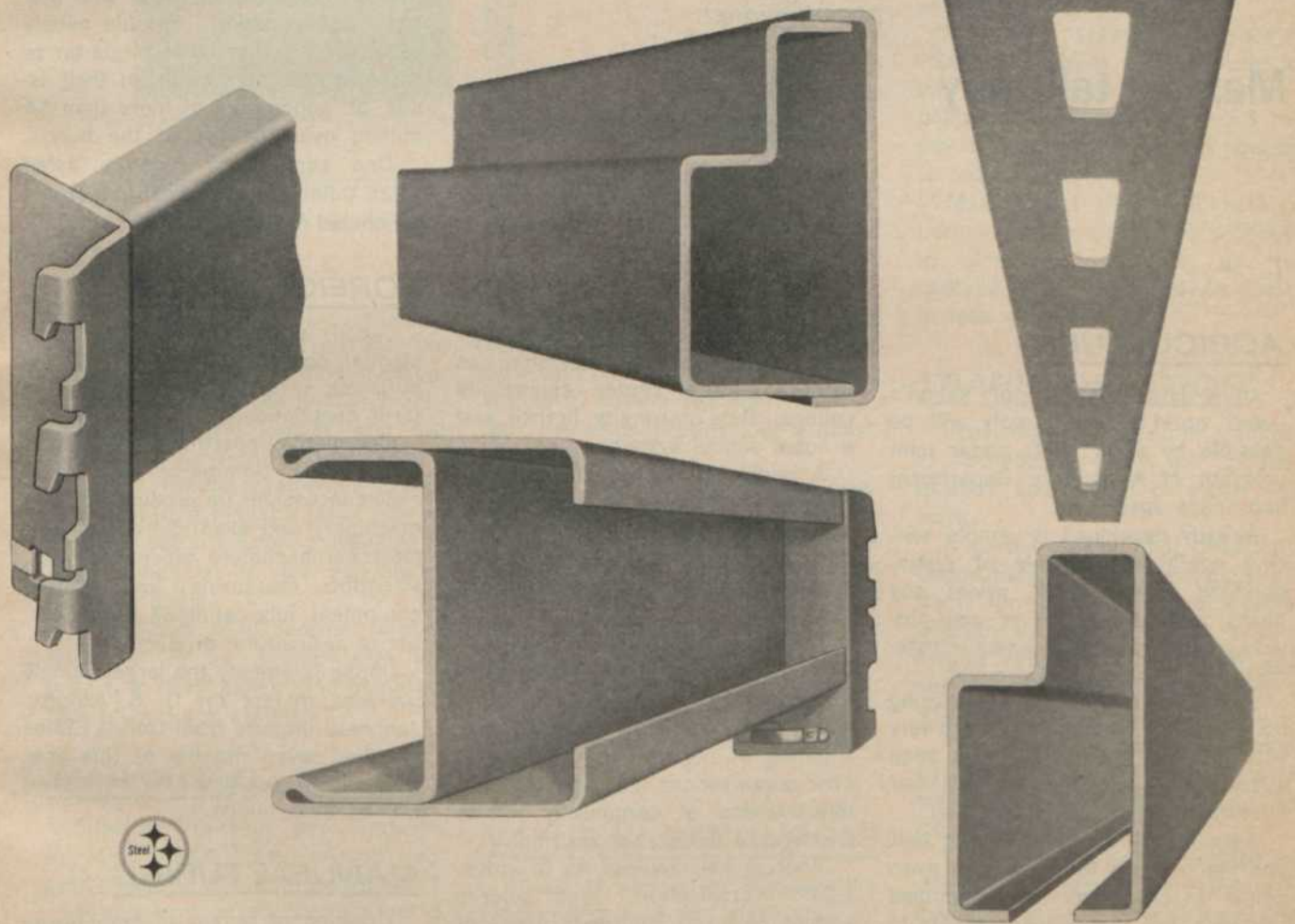
What are some areas in which the changing mix can be seen? Among them are government purchases, research and development, government investment in transportation, government activity in foreign trade and government planning.

What is the implication of further government coordination of its spending power, its regulatory power, its taxing power, and other powers to accomplish "social objectives"? Who decides what are "socially desirable objectives"? How will such developments affect the structure of the economy?

Only time will tell.

END

New Republic Steel Storage Racks— The Complete Line



Two new posts, three new beams make five new Republic Steel Storage Racks—Pallet, Package, Drive-In, Drive-Through, and Cantilever.

Rugged I-beams lock directly into heavy gage steel box posts. That's all there is to it. No connecting pieces to lose. No special tools. And the racks are as easy to adjust as they are to assemble.

Capacities from 700 to 18,000 pounds per shelf. A full range of sizes.

A new, conventional, package beam is also available for light-duty racks, or as an accessory support.

Your entire installation can be handled by one local

source, Republic's Man from Manufacturing. Besides the new family of storage racks, he carries the complete line of Republic Storage Products—Pallets, Boxes, Skids, Bins, Shelving, Tool Room and Shop Equipment. You'll find him in the Yellow Pages under "Shelving," or write direct to the address below.

MANUFACTURING DIVISION
REPUBLIC STEEL CORPORATION
Youngstown, Ohio 44505

* A Trademark of Republic Steel Corporation



THE MAN FROM
MANUFACTURING®

BUSINESS: A LOOK AHEAD

Sky watch on farms

(Agriculture)

A new industry?

(Manufacturing)

Making talk pay

(Marketing)

AGRICULTURE

Up-to-date inventory of nation's—and world's—food supply will be possible by early 1970 under joint program of Agriculture Department and space agency.

Already developed is remote sensing equipment capable of distinguishing between oats, wheat, soy beans, corn, alfalfa, clover, also providing early warning of insect infestation, plant disease and drought.

System operates by measuring light and heat emanations, which vary with different plants, and has been successfully mounted on observer aircraft. Satellite use is next step.

Agricultural Research Service says one big problem has just been overcome. In past, data was assembled on maps; but skilled map readers to handle material needed are scarce.

Now data can be transmitted directly to computers for automated analysis, print-out in usable form.

CONSTRUCTION

Continuing generation of local leadership is vital to community development.

This is key recommendation of a panel studying Flint, Mich., despite

finding that the city has already benefited from effective leadership, as witness cultural center, community college, state university branch and a noted school system.

A panel of businessmen specializing in community development examined Flint under the auspices of the Urban Land Institute at request of broad cross section of business leadership.

Its recommendations, to be published shortly, include a call for sharing leadership with new blood from within the community, coupled with a paring of number of political and civic organizations that tend to dilute effectiveness of community efforts and spread leadership too thin.

Another key finding: As to industrial diversification, first priority should be given legitimate needs of existing industry—in this case the GM facilities employing 80,000.

Urban Land Institute's activities represent a trend. Since 1947 it has sent consulting teams to 65 separate communities; eight studies last year alone was largest ever.

CREDIT & FINANCE

Strong demand for funds is expected to keep pressure on interest

rates on municipal industrial bonds, which recently hit 33-year high.

Some Washington observers expect federal borrowings to continue pressure on money market. Others point to pent-up demand for funds resulting from postponed borrowings during high-interest crunch last year.

One Virginia water authority just approved a \$55 million issue at same time as Arkansas issue of \$75 million hit the market. Virginia people estimate this cost them a quarter to three eighths of a point on their issue, an added cost of more than \$4 million over the life of the bonds.

One compilation recently listed \$825 million in municipal industrials scheduled for issue soon.

FOREIGN TRADE

Japan is expected to offer substantial opportunities for U. S. exports as result of Kennedy Round tariff negotiations.

Commerce Department's Bureau of International Commerce says Japanese concessions on products include machinery and electrical appliances, electrical machinery, office machines, scientific measuring and testing equipment, lubricating oil and a number of agricultural products.

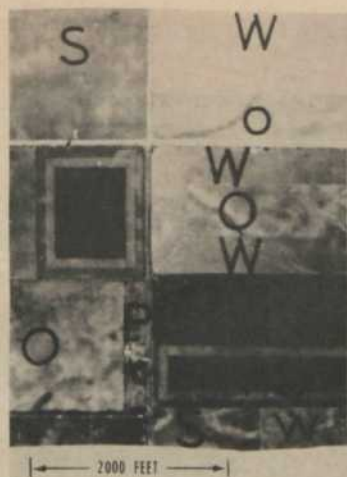
Japan is already the largest single overseas market for U. S. exports. Japanese imports from United States for first seven months of this year were up 14 per cent, for an annual rate of \$2.7 billion.

MANUFACTURING

Creation of a new manufacturing industry is being discussed to let lumber manufacturers take bigger part in construction of schools, university buildings, apartments and commercial and industrial buildings.

Such long-range thinking will be aired next month at National Forest Products Association's congress on technology, engineering and marketing in New Orleans.

Robert De Grade, executive director of the Canadian Wood Council,



Computer interpretation of satellite observations will make possible a global inventory of crop conditions (Agriculture).



says trend toward industrialized building "appears to call for the establishment of a new kind of manufacturing between the lumber manufacturer and the builder who will fabricate and assemble components."

Noting that the fragmented lumber manufacturing industry lacks type of development organization available to giant companies in steel and aluminum, he adds:

"We either need another kind of developer or an industry-wide approach to development and manufacture of package systems."

MARKETING

Speakers' bureaus pay dividends for drug firms. They expand programs; others join promotional effort.

Philadelphia-based Smith Kline & French has field force people talk before service groups on topics like health progress through drug advances, mental health, dangers of barbiturate and amphetamine abuse.

Smith Kline & French personnel made 1,780 appearances in 1965, 2,329 last year; will top that this year. Purpose is to inform public, which is ignorant of prescription drug field, because advertising is aimed at physicians.

Program started eight years ago, before government attacks on industry, says Smith Kline & French speakers' bureau manager, John L. Daly. He cites "happy side effects" of program:

Firm's field force has greater prestige among doctors aware of the program, and regional managers report training and experience gained carries over into field force's daily work. Mr. Daly notes that Ciba has had similar program for years; so has Chas. Pfizer which is expanding it; Syntex has consultants training its men, and Eli Lilly is considering such an effort.

NATURAL RESOURCES

A raft of new water management recommendations will clash with official Washington policy.

Dr. Allen V. Kneese, director of Resources for the Future's program on quality of the environment, notes that official government thinking favors arbitrary water quality standards, treatment of sources of pollution and incentives for constructing treatment plants.

But his book, "Managing Water Quality," to be published by Johns Hopkins University Press, takes dif-

ferent tack. It calls for stream management on a river-basin basis, drawing on extensive studies of the Potomac, Delaware and other basins.

Approach calls for a search for best combination of measures, like changing industrial processes to eliminate pollutants, regulation of stream flow, establishment of central treatment plants, even direct oxygen treatment of stretches of river by aeration.

His study suggests enforcement could come from a river basin authority with powers to tax sources of pollution. Such taxation could help pay for treatment or induce polluters to reduce pollution.

Management also would have option to redesign productive processes to eliminate pollutants, or treat contaminants produced—as costs dictate.

TRANSPORTATION

Specialists ranging from architects to sociologists likely will influence location and design of urban highways.

A partial step in that direction is Department of Transportation contract for a \$4.8 million project whereby specialists in "all environmental skills" will join road engineers in interstate construction in Baltimore, Md.

They'll also include economists, psychologists, political scientists and acoustical, electrical, lighting and mechanical engineers.

Transportation Secretary Boyd said effort "may well set a pattern for designing urban highways across the nation."

Specialist team is joining a game already in progress. Baltimore's interstate alignments are largely determined, some segments have been designed and some land acquired.

But key source confides that this partial experiment may lead to procedures whereby teams are assembled elsewhere to map out and design routes for future projects from scratch.

WHO WILL WIN THE

Only the most reckless or naïve would flatly forecast the outcome of a Presidential election a whole year in advance. Right?

But try to find someone who doesn't have an opinion even this far from the real balloting. Political currents already are astir in the land. Notions are turning to opinions, feelings hardening to convictions. Minds are being made up about candidates and issues throughout America from the clapboard farmhouse to the glassy high rise.

In this sea of opinion, who will be right?

If historical precedent is a guide—if the past is prologue—any place which has a habit of voting for the winner in Presidential elections should be the most valid testing ground for sensing the future.

Five such bellwether counties now exist in the United States. Their residents consistently have voted with the majority for President, election after election, in this century.

So Nation's Business sent five of its editors—Jeffrey S. O'Neill, Robert W. Ireland, Vernon Louviere, Sterling G. Slappey and Wilbur Martin—to these five prognosticating counties to find out what the voters are thinking. The sample poll was neither scientific nor does it predict anything more than current opinion.

But if you dip your finger into a bowl of pudding and lick it, you get a pretty good idea of what the pudding tastes like. Nation's Business editors got the political flavor of the country in these five counties.

The editors talked with farmers, lawyers, merchants; crisp, little old ladies and strapping truck drivers; the politically sophisticated and the blue-collar swing voter who decides the election, the man who political expert Richard Scammon describes as "the guy who bowls regularly."

Here are these editors' revealing reports at Election Time '68, minus one year:

'68 ELECTION ?



PHOTOS: IVAN MASSAR—BLACK STAR

Bank Cashier Lloyd Rines thinks the war has hurt the President, but not enough for the Republicans to win.

Harold McCaffrey, print shop foreman, doubts he'll set an "LBJ Wins Again" headline a year from now.

War, welfare and Richard Nixon . . .



COOS COUNTY, N. H.— Harold McCaffrey is foreman of a print shop in Lancaster, N. H., the seat of government for Coos County.

Ordinarily Mr. McCaffrey's work is prosaic—setting type for ads, newspaper columns, handbills, letterheads. But every four years on the first Tuesday after the first Monday in November, while the United States is electing its President, Mr. McCaffrey moves into the big time.

Hours before polling places close in the East and before some polls even have opened in the West, Mr. McCaffrey sets the headline for

The Coos County Democrat declaring who the next President will be.

He has never missed. Coos has never failed to go for the winner in this century.

Mr. McCaffrey is the bell ringer in this bellwether county.

One year from now Mr. McCaffrey will be setting another Presidential headline.

"I can't tell quite yet what the head will be," he said on a recent chill day when these mountain lands along the Canadian border already were dressed in autumn browns and reds.

"As of now, a year before the election, I'm doubting it will be 'LBJ WINS AGAIN.' I'm a Democrat, like about half the voters of Coos, but I'm not voting for Johnson. I don't like his policy on Viet Nam."

That same thought wells up like a chorus here.

This is fiercely patriotic country where scores of houses wear Ameri-

can flags and in whose cemeteries every fallen American soldier has a small flag waving over his headstone.

The thought here is not that President Johnson should pull troops out of Viet Nam. Rather it is that President Johnson should send more troops to Viet Nam and "do anything else that is necessary to win the war and get it over with."

That was the expression used by John Ryan of Berlin who works for the New England Telephone Co. Like other New Englanders, he is not accustomed to losing wars. In so many words it is the sentiment expressed by scores of other voters who are not sure but what we are losing in Viet Nam or being "stalemated to death over there."

Such thoughts could have a profound influence in another year when the voting takes place, or even sooner at the political nominating conventions.

"Johnson recently stepped up

the bombing," Mr. Ryan said. "That should get him back some of the votes he's lost—maybe enough to carry Coos again. If he wants to make certain, he should blockade Haiphong harbor, step up bombing and get us to winning."

Soda fountains and grocery clerks

Coos County has the happy static look of the 1920's. It's a place where the drugstores are still small with marble soda fountain counters. Here you can go into a grocery store and have a clerk get your purchases off the shelves behind purchases and put them in a paper bag.

Issues which disturb U. S. financial circles, such as the 10 per cent tax increase proposal, or which threaten many Americans as Negro rioting does, seem only faintly felt when they reach Coos County.

In all of Coos there are only 30 or 40 Negroes. One is a respected municipal judge in Colesbrook. Three others are a Negro waitress and her two children who were brought to Berlin by a restaurateur as a novelty. Business at the restaurant has increased since she came.

But a few Coos small businessmen who need workers of various categories said they would never advertise in "New York and Boston newspapers" for fear Negroes would turn up and they would have to hire them. They are afraid an influx of Negroes would create riot situations. So they restrict their ads to small New England papers which few Negroes read.

As for President Johnson's tax increase proposal, the people of Coos don't exactly know whether it calls for a 10 per cent rise in the rate a citizen pays or a 10 per cent higher tax bill. They are much relieved when they hear that the proposal calls for a man who now pays \$1,000 a year in income tax to pay \$1,100.

Top issue: Viet Nam

These people of the far North are bothered considerably by government spending. This issue is second only to Viet Nam.

Northern New Englanders, including Democrats who work in paper mills of Berlin and Groveton, are sick of government debt and federal welfare programs which they feel creates no welfare, only a "fare-thee-well attitude."

These New Englanders scratch

hard for a living. They are thrifty. The brutal weather gives little away and making a crop or making dollars takes work.

There is no tolerance for giveaways. There is no appreciation for federal and state programs helping someone who has not first tried to help himself.

Coos County is divided down the middle on issues, and this is one reason the county over the decades has swung back and forth between Democrats and Republicans.

Half the people here are old-line New England Protestants and about half are Catholic. Half are members of tight family units while others feel no strong unit attractions. Half the county's 35,000 people live in predominantly Democratic Berlin and the other half in mainly Republican towns, logging camps and farms.

There are 6,887 registered Republicans and 6,711 registered Democrats.

Nearly half the people are of French blood. The others are mostly of English and Scandinavian stock. Until last year several schools conducted classes half in French, half in English. Whenever there is a wedding or funeral in Berlin, many of the well-wishers or mourners come down from French Canada. They are cousins, aunts and uncles who pay no attention to national boundaries.

Coos blows with the political winds. In 1948 it went for Harry Truman over Thomas Dewey by 925 votes. In 1960 in another close election it gave John F. Kennedy 2,658 votes more than Richard Nixon.

Conservatism prevails here in attitudes, politics, behavior, tastes.

Most Democrats here are closer to Southern Democrats than to Americans for Democratic Action. As for Republicans, attorney Arnold P. Hanson of Berlin admits that he and a few of his friends are looked upon as oddities because they are liberal Republicans.

Mr. Hanson, a prosperous lawyer in his mid-40's who looks like a Marine, was the only person spoken to who wants U. S. troops pulled out of Viet Nam and the books closed on the war. He admitted he was one of a small group with such desires.

Nixon the favorite

As of late autumn 1967, Mr. Nixon is the Republican favorite in

Coos County. Late in September a poll made at a New Hampshire county fair showed these results: Nixon, 465; Reagan, 124; Rockefeller, 66; Romney, 38; Percy, 24.

A large slice of Mr. Nixon's following is directly related to bold statements he makes on the Viet Nam war. Voters seem to think that he and President Johnson are candidates least likely to falter.

Attorney Hanson, however, opposes Mr. Nixon all the way. He points out that Mr. Nixon could not win the Presidency while serving as Vice President. Since 1960 he has lost the California gubernatorial election. So why should anyone think he can beat Lyndon B. Johnson?

Mr. Hanson is a keen political watcher. He is a former county attorney and delegate to several Republican conventions.

Governor Rockefeller is being watched closely and if he officially becomes a candidate—which many anticipate—a great many New Hampshire people can be expected to desert Mr. Nixon and take up with the New York Governor.

Five years ago Governor Rockefeller left his wife and, in a sequence unpleasant for politics, married a woman with several children who had just left her husband. Does such behavior hurt one in straight-laced New Hampshire?

Despite the time lapse, it certainly does. It still will be injurious to the candidate if he goes for the big job next year.

Throughout Coos County there is a sharp drop-off in regard for George Romney. A diagnosis of his candidacy in Coos would be: "Poor and the patient is sinking fast."

Little is known about Gov. Ronald Reagan and Sen. Charles Percy. Governor Reagan's name is bracketed with Governor Rockefeller's as a possible Republican team by some of the country's conservative voters who believe they can get a foothold through the California Governor. By the same thought process, the more liberal element feels it can strengthen Governor Rockefeller's bid by taking on the more conservative Californian as a Vice Presidential running mate.

No Democratic rival to LBJ

Little serious thought is given to any Democratic candidate except President Johnson. Sen. Robert F. Kennedy is a much disliked man in New Hampshire although he is a



**The man from
the Northern Plains:
he's on our payroll,
but he works
for you.**

**(To find out how,
send for this brochure.)**



The man from the
Northern Plains is
ready and willing to
go to work for you.
If you're considering

a new plant location, contact
him. He'll touch down at your
airport, briefcase full of accurate
data and information sources on
the entire Northern Plains area:
Iowa, Kansas, Minnesota,
Nebraska, South Dakota,
Wisconsin, and upper Michigan.
To find out more about the Man
from the Northern Plains and
what he can do for you, send now
for your copy of the brochure
entitled, "Comprehensive Plant
Location Services." Write:
Mr. W. A. Spitzenberger,
Area Development Department,
Northern Natural Gas Company,
2223 Dodge Street,
Omaha, Nebraska 68102.



NB-11

W. A. Spitzenberger
Area Development Department
Northern Natural Gas Company
2223 Dodge Street
Omaha, Nebraska 68102

Please send me your free and in-
formative "Comprehensive Plant Lo-
cation Services" brochure so that I
may learn how the Man from the
Northern Plains works for me.

NAME

TITLE

TYPE OF BUSINESS

ADDRESS

CITY STATE ZIP

New Englander. Several people said that a year ago the New York Senator had the usual large student following, plus a growing following among adults. What did him in?

"That kid is gone," declares Mayor Norman Tremaine of Berlin, a former Democrat who is now a Republican governing a predominantly Democratic town.

"Bobby Kennedy says one thing today and another tomorrow. He antagonizes the ghettos and stirs up trouble. His personal appearance—with all that hair—is bad. He's even hurting little Teddy, his brother.

"Bobby Kennedy could not get elected dog catcher of Coos."

Mayor Tremaine, a bouncy little

other prominent candidate. I do wonder if his failure before will, in the minds of many people, eliminate him now?"

"I'm for LBJ and I will not sway," said Winston Badger, a husky Vermonter who now votes in Lancaster, N. H. "The President is doing a pretty good job considering all he has to put up with. The Republicans haven't got a strong candidate anyway. As for Viet Nam, I believe in escalation."

Mrs. Catherine Murphy is a Johnson Democrat who has been working for 40 years for a print company run by Republicans. "I'm still a Democrat and I always will be," she said.

Some people feel Mr. Nixon would escalate faster than Presi-

Savings Bank in Colebrook, believes that "if you put all politicians in a bag, shake them up, dump them out, they will all look alike. The only difference is some politicians give more money away than others.

Too many giveaways

"And that's one of our big problems now. We're giving too much away. Colebrook went for President Johnson in 1964, of course, but I don't think it will next year."

Mr. Ingram describes himself as an "independent who leans over backward to vote Democratic."

One town official—a Democrat—said he must not be quoted for political reasons. He is growing more worried about giveaway programs. "They start one in Washington. Up here they will assign two or three people. Then the staff begins to grow and soon, look what you have. Look at the poverty program. It's huge in places where there is little poverty."

An active Democratic leader sounded much the same way when he said: "Welfare programs are going to get worse and bigger. LBJ is going to get himself re-elected, too, because he's got too much he can give away just before the election."

John E. Gormley, a Democrat and attorney from Lancaster, counts four boys from the Lancaster area who were killed in Viet Nam. The bodies have been brought home and still, "I find no one who wants to pull out," he says.

"The war issue is so big that it makes all others look small."

Like several others, he feels a tax increase is justified because "we have to pay for the war."

Although he's a Democrat he has closely watched the rise and fall of Gov. George Romney in the county. "He talks too much. He's changeable," he says.

As for Nixon: "He's a loser."

The New Hampshire primary will be held in March. It is not expected to be as important as usual because several of the leading Republicans are not expected to take part, although their followers may drum up support. It could indicate how large the support might be for the candidates listed, however.

Meanwhile, as Robert Styles, drugstore owner in Groveton says, "Nixon is by far the leading Republican and then comes Rocky."

END



Attorney Arnold Hanson wants our troops pulled out of Viet Nam.

man, sees a Nixon-Reagan ticket opposing a Johnson-Humphrey team with (remember the mayor is a former Democrat who is now a Republican) the Republicans winning.

"LBJ has slipped. People are unhappy about Viet Nam. They want to finish that war or they know Thailand will follow. What we are doing in Viet Nam is taking tranquilizers and they don't cure diseases. What we have to do is get in there and win.

"No matter what subject you begin with, you wind up talking about Viet Nam," the native-born American mayor said in pleasantly accented English. He spoke only French until he was in high school. There are still people in northern New Hampshire who speak practically no English.

Clinton White is editor of the "Republican-Independent" *Coos County Democrat*. He says, "There is no question but that Nixon is better qualified for the job than any

dent Johnson in Viet Nam. Mr. and Mrs. Emile Theborge, Democrats who live in Lancaster, feel the President is "not doing enough" and they are beginning to like what Mr. Nixon says he will do.

Few New Hampshire voters are more selective than Cleo Marshall who, in his 70's, still runs a Lancaster motel. "I never voted a straight ticket in my life. I always pick and choose. This time I won't pick or choose Lyndon B. Johnson. Viet Nam is the reason. We got ourselves into it, now we are there so let's do the job."

Lloyd Rines, cashier of the Berlin City National Bank in Berlin and a Democrat says: "Now it is Nixon who's first, then Rocky. I don't think Rocky's marriage problem will have any great effect. Viet Nam has hurt the President in Coos County but not enough so the final voting will go to any Republican."

Another banker, Executive Vice President Russell F. Ingram of the Farmers and Traders National and

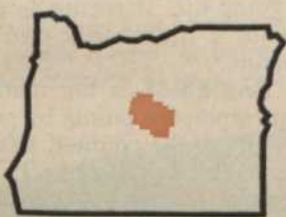


PHOTOS: DAVID FALCONER—BLACK STAR



Prineville city mechanic Ray Nelson, left, is fed up with war protesters. Druggist M. V. Woodward, top, says LBJ's hurting small business. Grocerman Johnson, behind counter, hears many Democrats will dump President.

Wild west wants law and order...



CROOK COUNTY, ORE.—This county is 2,982 square miles of mountains, forest, valley and some 8,000 people who are just beginning to turn an ear to the tumult and the shouting of pre-Presidential campaign politics.

It's a county where, for the majority, work is still physically hard, the hours long—and where, when a man knows how he feels, there isn't any use jawing overtime about it.

Most of the people you talk to in Prineville, Paulina, Post and Powell Butte know what they're against. But few have made up their minds who they're for in next year's elec-

tions. Democrats admit they are not entirely happy with President Lyndon B. Johnson. Some say they'll never vote for him again. Others aren't so sure, say "it will depend."

Republicans are divided seven ways to Sunday over potential G.O.P. candidates. None of those most prominently mentioned cut a very deep furrow in the Crooked River Valley where most of the population of Crook County dwells.

The big issues a year before the elections in a county that has voted for the winning candidate in every Presidential election from 1894 to date are:

Riots (this includes the whole general subject of racial turmoil involving crime and soaring welfare rolls as well).

Taxes.

Spiraling costs (farm equipment, living and federal spending).

Viet Nam.

Beef imports.

The names of the two prospective

Republican candidates most often mentioned are Gov. Ronald Reagan of California and Gov. George Romney of Michigan, though not necessarily because people would vote for them.

Gov. Nelson Rockefeller of New York won the Oregon primary in 1964, still has some appeal, but most take him at his word that he isn't a candidate.

Surprisingly, former Vice President Richard Nixon evokes little comment; he has a loser's image. And Sen. Charles Percy of Illinois is in the "Senator who?" category, a virtual unknown in these parts.

What Crook County's like

To understand how people in Crook County feel about the issues and possible candidates you first have to understand the area and its background.

Its estimated \$20 million annual income comes from agriculture (cattle, feed grain, potatoes), tim-

ber and tourists that come for superb hunting and fishing and exotic rocks: agates, jasper, chalcedony, quartz crystals.

A million acres of the county is national forest and the Forest Service payroll and services are an integral part of the area.

The eastern part, centered around Paulina, is where most of the big ranches are located and here it's like the old West.

Prineville, the county seat of 3,700, is the area's hub. It holds the unique distinction of being the only known city to own a railroad and, because of this, for the last four years has imposed no city taxes. It built the 19-mile railroad in 1918 so the county wouldn't "dry up and blow away," hung onto it through the lean years and now is making a tidy profit (\$86,000 went to the city last year) from its service to the lumber mills and ranchers and farmers of the area.

Crook County is heavily peopled with those who came from Oklahoma and Texas in the depression days of the Thirties, first to California and then into the Northwest. The independence of the old West and the memories of men who felt lucky to get two bits an hour as fig packers, railroad tie hackers and lumber stackers play a major role in a deep-rooted philosophy that nothing really comes easy and if it does, there's a joker in the deck somewhere.

Riots and LBJ

There is almost universal outrage about the race riots.

"What in the world is happening to us?" wonders M. V. Woodward, short, stocky owner of the Bank drugstore. "I never thought I'd live to see the day when anybody could burn up 160 blocks of a town. That's nothing more than criminal anarchy. If the government can't control these riots, then you'd better quit."

Other merchants feel the same way. One has even taken to keeping a loaded revolver in his desk drawer. Not because there are any signs that conditions here lend themselves, or ever will, to incubating riots (there are only three or four Negro families in Prineville), but more as a reflection of an uneasy atmosphere that "well, you just never know."

Mrs. Roy Davenport, the jolly boss of the Credit Bureau of Prineville, believes the riots are more

cause for concern as a national issue than anything, even Viet Nam. And, as a leader of the county's Democrats, she describes the President as "controversial."

"But frankly," she says, "there's general apathy about politics out here right now. It's too far ahead of the elections. I still believe that the President will get the votes of a lot of people who are griping about some of the things he's done."

Apathy to politics is apparent. There are too many other things closer to home. The summer was long and dry, driest in years, chasing the deer high into the mountains. It caused uneasiness that the biggest, and busiest, time of the year—the opening of deer season—could be hurt.

"I don't know whether I'd vote for the President again," says Ron Jay softly, hunkering down on his heels at his gasoline service station. "I might. It'll depend."

"I think I would have voted for Romney. He seemed qualified. But not now. Because of that brainwashing thing."

"Well, I'll never vote for LBJ," exclaims Mr. Woodward the druggist. He blames the President as the symptomatic cause of a climate "where the little businessman can't make a living because of rising taxes."

"When I opened my first store 25 years ago, I worked 50 per cent less time than I do now. No Sundays. No holidays working. Now I do. Just to keep above water. I'm swamped with papers I have to fill out for the government."

"I'll tell you one thing for sure. I'd never go into business for myself if I were starting all over and things are the way they are now."

To Mr. Woodward, peering out through gold-rimmed glasses, Governor Reagan has "the makings of a President."

"He's a good orator and he's got political glamour. Rockefeller's too controversial. Romney's statements have pretty near killed him."

Why they like Reagan

The appeal of Governor Reagan in Crook County is his bluntness, saying things straight and to the point. Even for those who don't think they'd vote for him, right now, his direct and usually conservative stand rates high.

Mrs. Davenport sees Governor Rockefeller and Governor Reagan as the two Republicans who would

be most popular in the county, mostly because of "familiarity."

"People know Reagan from TV and the movies and Rockefeller was all over the state four years ago."

But Dick Hoppes, owner of a laundry and cleaning plant and prominent in Republican affairs, doesn't believe Governor Rockefeller could win again.

"Ronald Reagan could if he came in personally and made a run for it," the 37-year-old big, blond, one-time broncobuster says. "If he stays out, Nixon can do it—if he really wants to. But he'd have to come out here and really go after it."

Mr. Hoppes is one of the few people in Crook County who can see any merit in the U. S. foreign aid program.

"I'm for foreign aid, but good God, with some reason," is the way he puts it.

"I think you've got to change the way you're doing it. Use it on more technicians so these countries can do more for themselves."

Marion Brownfield, who owns a cafe in Prineville, couldn't care less about foreign aid.

"If you're going to do any spending, spend it at home," he exhorts.

"There's something else. I'll vote for any man who'll show us how we won't go broke and we're sure heading that way and down a greased chute."

"Taxes, prices, everything just keeps going up. It seems harder to hang onto a nickel this year than ever before."

Mr. Brownfield, a big man who likes to emphasize points by pounding a hand on the counter, left Coal County, Okla., in the early Thirties. He worked his way to California and into the Northwest "doing just about anything I could, picking figs, stacking lumber, working on the railroad," and isn't enchanted with any of the prospective Presidential candidates.

He is exercised about the riots and a climate where "people don't act like they're proud of this country anymore."

Riots and Viet Nam

"I know what I'd do with all those protesters," says weathered Ray Nelson, 58, a mechanic for the city of Prineville. "I'd draft 'em in the Army."

Mr. Nelson is a Democrat and he views the prospective Republican candidates as "making a lot of

Do you tell your men to get out there and really push! Really sell! Drive! Drive! Drive!

(And then put them in
a dinky little car?)

Or do you put them in a big, solid Oldsmobile? The kind of car that lets your men look and feel like the winners they are. A car that says good things about your company and about the men who represent it. Such as this Olds 88. Proud, but very practical. With a Rocket V-8 Engine that features greater low-end torque for better performance at lower operating

cost. More headroom for the man at the wheel. More legroom. More hiproom. More trunk space. And Olds gives you nine 88 models to help fill your fleet needs. Every one is further proof that Oldsmobile is competitive in every way, clear across the line.

And your Olds dealer can prove it! Whatever the job to be done, whether you lease or buy, talk to your Olds Dealer today about building a fleet of "youngmobiles" from Oldsmobile. Or write:
National Fleet Sales Manager,
Dept. NB, Oldsmobile
Division, Lansing,
Mich. 48921.



'68 "youngmobiles" from Oldsmobile



racket" but not coming up with any concrete suggestions on anything.

"We'd sure be in a hell of a fix with that fellow Romney. He can't make up his mind on anything.

"Would I vote for the President? It'd be according to who's running against him. The President's a lot like us. He doesn't have too damn much to say about a lot of things."

Mr. Jay, the gas station operator, is another who's not willing to blame everything on the President alone.

"I don't know if any one man can do it all by himself, straighten everything out. You elect a President and just hope for the best. If you've got a legislature, it's got to pull some weight, too.

"Sure, taxes are high, too high. On the other hand, I like my kids to go to good schools and I'm willing to pay as long as I can."

Viet Nam is a very personal thing for people in Crook County. A lot of its sons are there.

"I think we're right being there, morally," says Mr. Jay. "But there ought to be some way not to string it out."

To Archie Hollis, 42, owner of Prineville Electric, the way not to "string out" Viet Nam is make it a declared war.

"If you make it a declared war, you'll get it over. You'll get rid of all this protesting jazz about an undeclared war that's just propaganda for those people over there."

Riots, protests, a seeming lack of respect for God and country are what nag people in Crook County.

"This is a good country," says slim, easygoing Mr. Hollis. "We need to keep it that way."

"That's for sure," adds Mr. Brownfield.

"Why, people used to have respect for our flag. Now look at 'em. They take and tear it up. It's about time somebody got tough about this."

Gene Shannon, editor of *The Central Oregonian*, a weekly newspaper, believes the war in Viet Nam is going to affect anybody's feelings, one way or the other. He has two sons there, and "the kids say this war is necessary. I think you've got to pay attention to this."

Don Combs, 25, is a salesman at Oregon Stationery where he first began as a technician repairing business machines. He's concerned over matters that mean little to his generation—such as medicare.



Cafe owner Brownfield hates foreign aid. He wants money spent at home.

"That didn't involve me except to double my social security. By the time I'm 65, I'll have paid 10 times what I'll ever get out of it."

Governor Reagan doesn't appeal to Mr. Combs, "not because he's an actor. He just hasn't been in politics long enough. I might vote for Romney, but I don't know. I wouldn't vote for Nixon."

Want some plain speaking

What would help make up Mr. Combs' mind—and many, many others in Crook County—is for all those being talked about as potential Presidential candidates to say what they're for and against—one, two, three.

"I thought the TV debates were great. Speakings like that would help you make up your mind."

He didn't mention Sen. Robert F. Kennedy until asked.

"Well, I'll be willing to bet he's President one day. But not this time. He's the late President's brother and I guess that's one big reason for his popularity."

The power of the Presidency worries Mr. Combs, an energetic Jaycee. He thinks President Johnson has too much. "Like sending troops to the Dominican Republic and other places. Congress ought to vote this."

Fifty-six miles to the east of Prineville is Paulina Valley, where the big ranches of Crook County are located. And Elvin Johnson's general store in the tiny community of Paulina is the hub of this vast area.

"Listen to the buckaroos talk when they come in here and it looks like there's going to be an awful

lot of Democrats vote Republican next time," says Mr. Johnson, sitting quietly behind the counter, feeding his begging dog, "Baloney."

Import of foreign beef is a bitter subject to cowmen. It's blamed for poor domestic prices. Ranchers claim the price on weaner calves ought to be 32 cents a pound today, not the 28 cents they say is about tops.

"Things have been pretty tough in the ranch country," Mr. Johnson declares. "I never had such a slow winter here in the store. Everything's going up. Land is way over-evaluated. And a harrow bit that cost \$5,000 brings over \$10,000 today. Same with a baler. It'll cost you \$6,000 to \$7,000 when it used to be \$3,000 or \$4,000."

The buckaroos talk about the weather (it didn't rain a drop from June 21 until Sept. 11, when a trace fell), the flow of Beaver Creek, an old cow that's been bit by a rattler and the fellow who's going to string a hundred dead rattlesnakes along his fence and see if that'll scare off "the damn deer hunters."

They get up before daybreak, go to bed after dark here. And the idea of welfare ("giving something to folks for nothing"), foreign aid, foolish federal spending ("paying somebody to see what kind of sex gland a lightning bug's got") and letting people riot makes no sense at all.

Talk around the general store shows Gov. Romney has made an impression. Mr. Nixon hasn't "because he's a loser." Senator Kennedy gets downright "unfavorable" comment.

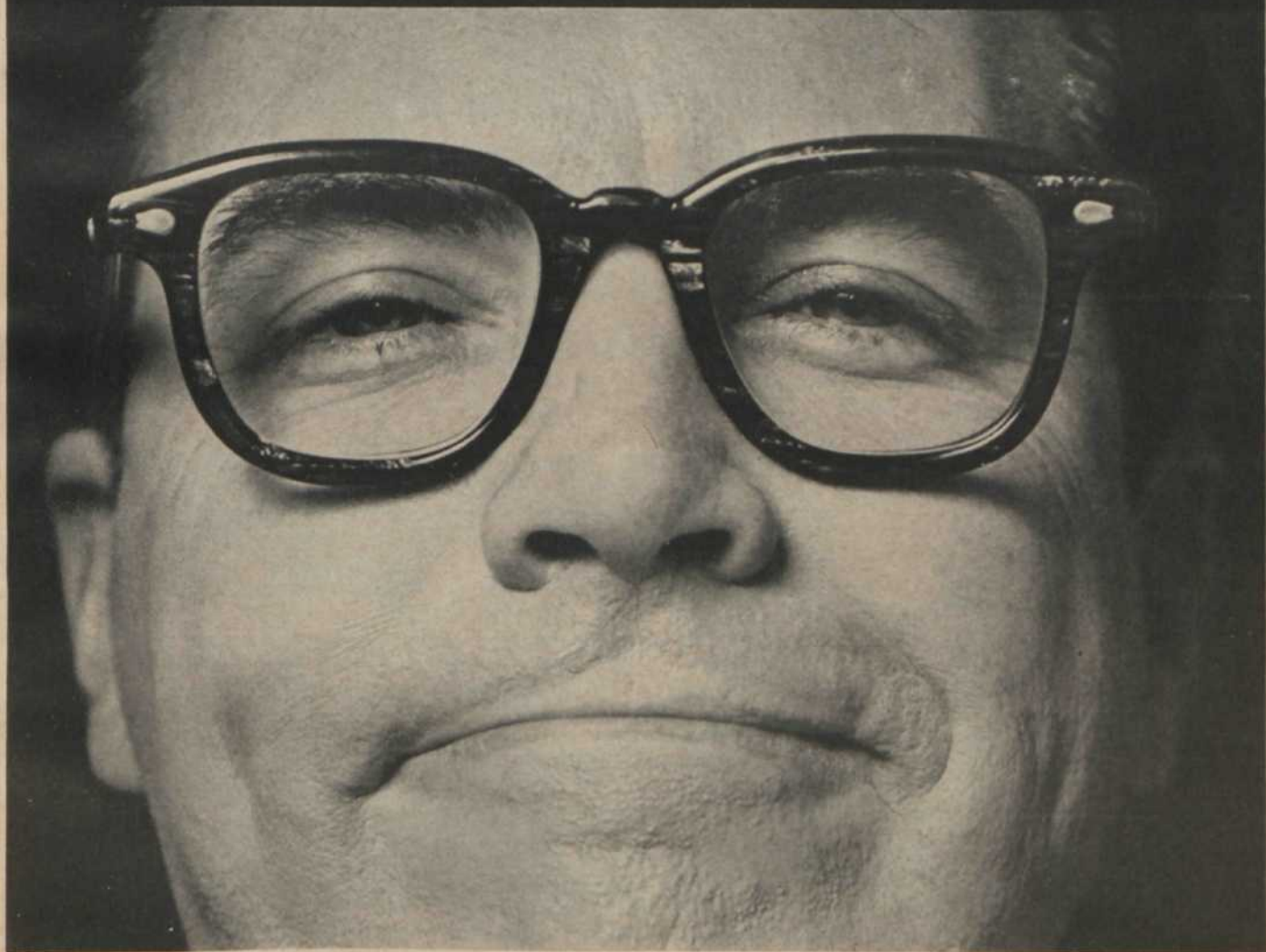
Bob Protzman, a brawny ex-Navy Seabee chief and Paulina superintendent of the vast Boston Ranch Co. (112,000 acres of deeded land), has a son in the Navy on orders to Viet Nam and he worries about this.

But as for general politics, he's more worried about whipping into shape for winter J. G. Boswell's newly purchased spread. Some 6,000 to 7,000 head of Hereford and Angus cattle have to be fed. There are creeks to dam and straighten and hay to stack.

There's too much to do, too much muscle to use to fret about something that's a year away. Like most people of Crook County, Mr. Protzman knows his own mind and when the time comes to vote, he'll vote it. **END**

**Your company is
unique.**

**Shouldn't your
group insurance be?**



It's a fact.

No other company faces exactly the circumstances you face in setting up a group insurance plan.

That's why you shouldn't have to settle for something "off the rack."

You shouldn't have to choose Plan A, B, or C, groping and hoping for the nearest fit.

American United Life can and will custom-tailor a group insurance plan to

your exact needs . . . and alter it as your needs change.

For an up-to-date survey, contact A·U·L. Expert help will be on the way from the regional group staff nearest you.

Or call collect to Sherman Jenson, vice president in our home office at Indianapolis.

The number is (317) 923-7201. The time to call is now.

A·U·L

American United Life

FOUNDED 1877

The Company with the Partnership Philosophy

AMERICAN UNITED LIFE INSURANCE COMPANY
FALL CREEK PARKWAY AT NORTH MERIDIAN
DEPT. NB-117, INDIANAPOLIS, INDIANA 46206



G.O.P. State Senator Tom Searl (left) sees Gov. Rockefeller as a winner while Republican editor James Flinchum strongly supports Gov. Reagan.



Painter Mike Gregario, a G.O.P. convert, supports LBJ because "You don't change horses in the middle of a war."

PHOTOS: BRUCE MCALLISTER-BLACK STAR

Johnson trails in cow country...



LARAMIE COUNTY, WYO.—Lyndon B. Johnson rates in the basement here where he beat Barry Goldwater by almost two to one just three years ago.

Many Democrats are uneasy while Republicans are generally optimistic.

But that's no sign President Johnson is a sure loser in 1968 in this bellwether county where Presidential returns traditionally parallel the national outcome.

With a year to go to election day, you gain two strong impressions from soundings around Cheyenne (population 50,000), capital of the Cowboy State and seat of government for Laramie County:

Democrats regard New York Gov. Nelson A. Rockefeller as the toughest

Republican to beat; some feel he could defeat the President.

Republicans want a winner. Many have only lukewarm preferences and split widely among the possibles. But those favoring one candidate speak well of others, or don't run them down, and tend to play down differing ideologies.

Though it's early for a nose-count, talks with officeholders, party leaders, observers and the man in the street show how LBJ and possible G.O.P. opponents come across to the public.

Unlike the rest of the conservative ranching state, where some regard Barry Goldwater as a "liberal," Laramie County represents a mix of labor and business, towns and outlying ranches. A 4-H cattle sale is a prime conversation topic in the ornate bar at Cheyenne's The Plains Hotel. Two-party competition is strong in Laramie, and there's a large independent swing vote.

But population is declining. United Airlines pulled its headquarters out of Cheyenne years ago. Union Pacific Railroad, for the construction of which Cheyenne was

founded 100 years ago, is down hundreds of employees.

Democrats' edge in the county now is threatened by erosion of the blue-collar work force. A union man tells of working a labor area in 1966 and turning up 2,000 fewer voters than expected.

There is no urban crisis, and no extremist agitation among the county's small Negro minority.

"The crisis in the cities may populate Wyoming yet," comments a utility man.

Cheyenne gets a big bonanza in tourism each year from its "Frontier Days" splurge of Wild West doings, including a classic rodeo. Public employment, state, federal and local, provides a stable economic floor. Pari-mutuel betting was recently approved in hopes of snaring more revenue, along with a library bond issue.

There is a high degree of respect and goodwill among opposing political leaders, plus a candor in discussing politics not always found in the East. And long-time observers point to greater political independence, at the expense of party dis-

The Houston-Gulf Coast has the raw materials you need!



Sulfur . . . salt . . . fresh and sea water . . . oyster shell . . . abundant, low-cost electric power and deep-water shipping have combined to make the Houston-Gulf Coast area the petrochemical capital of America.



"Man-made" raw materials—ethylene, butadiene, ammonia, chlorine, steel, paper and many others—are manufactured in ever-increasing quantities by the Houston-Gulf Coast's enormous industrial complex.



Producing wells like this, throughout the Houston-Gulf Coast area, provide petroleum, petroleum gas and natural gas at lowest possible prices to the area's refineries and petrochemical plants.



Grain loading at the Port of Houston typifies the wealth of food and agricultural products—rice, wheat, cattle, cotton, seafood, sugar, timber—that is readily available to manufacturers in the Houston-Gulf Coast area.

Want more facts, in complete confidence? Write Fred Staacke, Vice President, Houston Lighting & Power Company, Box 1700, Houston, Texas 77001.



**HOUSTON LIGHTING
& POWER COMPANY**

a taxpaying, investor-owned electric service company

cipline. And there is an unusual awareness of Governor Rockefeller because of his family's holdings and philanthropies in the state.

What the issues are

Walter C. Urbigkit Jr., former vice chairman of the county Democratic organization, says, "Johnson's very unpopular, probably more unpopular in the party ranks than elsewhere."

The political issues? A quiet, self-styled "liberal," he leans back in his chair and says: "Viet Nam's not it, completely. In a way it's only a symptom . . . of sadness, frustration, disillusion, tension." He cites riots, crime, lack of faith in government at all levels, plus a three-year economic slump locally that "magnifies concerns."

He expects the President's requested tax increase "will be quite harmful to the Democrats."

Yet he feels Mr. Johnson will be reelected "against any Republican but Rockefeller." But he adds that any Republican offering a credible way out of Viet Nam would probably win.

He says criticism of the Administration, however bitter, is not enough to dump an incumbent without clear-cut alternatives. (This coincides with the private view of a G.O.P. leader who fears no Republican presently in sight offers a popular enough alternative.)

Edwin H. Whitehead, a Democratic member of the Wyoming House, state committeeman for Laramie County and president of the Cheyenne Tire and Battery Inc., offers the same assessment of Governor Rockefeller's strength, but adds:

"If this were the fall of 1968, I might be worried. But I'm not."

Larry Schieck, Laramie County Democratic chairman and an operator at Frontier Refining Co. for 20 years, says Michigan Governor George Romney had—but lost—considerable support among union men. "Romney looks terrible right now. The guy can't make up his mind." And Governor Rockefeller is the beneficiary.

From Mr. Schieck's soundings, the issues are Viet Nam and race. On the war, he finds both confirmed doves and hawks, but a large number whose opinions shift back and forth almost daily.

He hears complaints that Mr. Johnson "shouldn't allow these racial riots," and that Negroes want



Burton Clark, barber and political seer, cites big Rockefeller appeal.

more rights than whites. One union man interviewed by NATION'S BUSINESS inveighed against riots, then conceded that Negro demands are for legitimate rights, which he nonetheless opposed.

Burton Clark, a trim, dark-haired, bespectacled barber at The Plains Hotel is a keen observer. He served as state commissioner of labor from 1959-1963. He feels a contest "would be close" between Mr. Johnson and Governor Rockefeller, who would appeal to independent voters.

John Holaday, executive secretary of the state AFL-CIO, dismisses much of the grousing. He worked hard and without success to persuade labor organizations to support a \$690,000 library bond issue. All he heard was groans about taxes, economic decline, vanishing blue-collar jobs. But the referendum carried, breaking a long chain of bond issue defeats.

"What they say and what they do are two different things," he concludes.

LBJ—pro and con

"We have to be tougher than Johnson is," insists Mike Gregorio, a painting contractor who recently switched from Democrat to Republican.

But his candidate is—Lyndon Johnson.

"You don't change horses in the middle of a war," says Mr. Gregorio in the accents of his native New York.

A 39-year-old bartender criticizes Mr. Johnson for "overcaution" in Viet Nam and "sneaky" politics at home, expects many Democratic

friends to switch, but personally will vote for LBJ again as a loyal union man. (A 1963 right-to-work law in Wyoming soured many union men on Republicans.)

You hear no support for New York Sen. Robert F. Kennedy as a Democratic alternative to President Johnson, despite "dump Johnson" moves elsewhere. "He got himself in two or three jams on the Viet Nam deal, too," says Mr. Schieck.

John Rooney, state Democratic chairman, sees no support for Sen. Kennedy as a challenger, despite great personal popularity and association with former Democratic Rep. Teno Roncalio, who lost a Senate race last fall.

Governor Reagan's strength

Republican County Chairman James Tilker supports Richard Nixon as the best qualified Republican and most deserving of nomination, but says California Gov. Ronald Reagan would run a strong second and Mr. Romney a close third.

James M. Flinchum Jr., editor of the Republican *Wyoming State Tribune*, flatly proclaims Governor Reagan the winner locally and nationally.

"I think Johnson's down the drain unless the Republicans commit a terrible goof-up."

"All the comments I get from my Republican friends tend toward Reagan. I think he represents a new face, new ideas, a new element, a new approach."

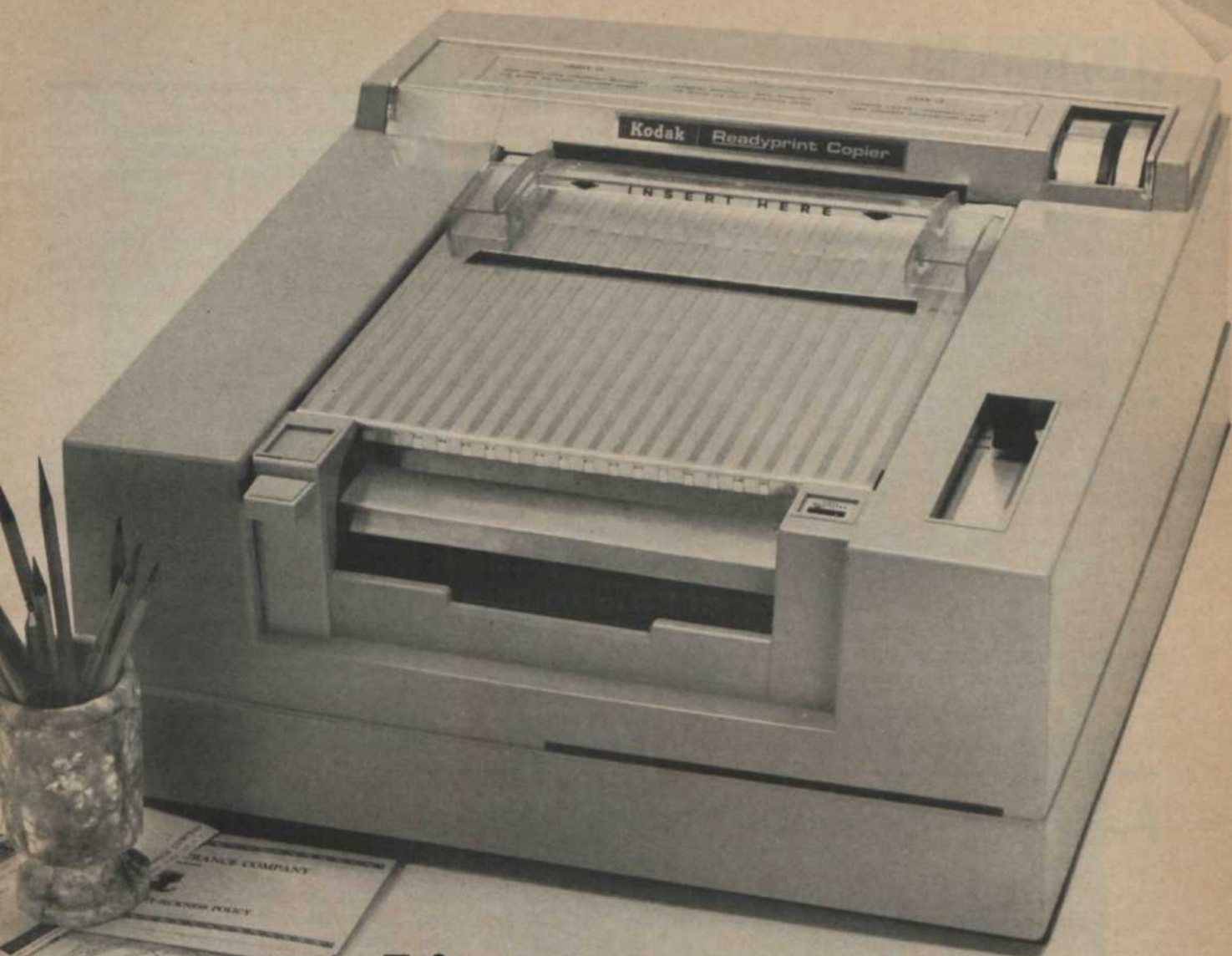
Mr. Flinchum, who speaks with slow, deliberate emphasis, admires the California Governor's approach to state services including higher education—"You've got to pay for it, you've got to raise the dough"—and to the Viet Nam war.

And he feels Americans share Governor Reagan's conviction that "we must conclude the war in Viet Nam and conclude it quickly but without a defeat."

Domestically, he hears criticism of the Attorney General and the Justice Department for failure to prosecute Negro militants who advocate violence.

"They show a disturbing disinterest in taking action where there are civil rights overtones, in cases that would get the ordinary citizen in the slammer just like that," he says, with a snap of the fingers.

Another Governor Reagan backer is Robert A. Read, a widely-



**It's not electrostatic.
It's not 100% automatic.
It doesn't have a meter.**

So how come it filled the bill for 54 of 65 Kansas insurance agents?

In just a little over a month, 54 of the 65 Kansas insurance agents who were called on by just one dealer bought the Kodak Readyprint copier. Why? They found it the copier that's perfect for *their* needs—and the best buy! For the same reasons, a similarly high percentage of bankers in the same area chose the Readyprint copier above all others.

The Readyprint copier gives you one or two clear copies as needed—with just one exposure—in seconds. So simple anyone can use it. And Kodak dependability makes it practically service-free.

If your copying requirements are like those of the average small office, you'll want the convenience of a Kodak Readyprint copier. See Yellow Pages for a Kodak Copy Products dealer. Or mail coupon.

Kodak Readyprint copier. Only \$295.

Price quoted is manufacturer's suggested price and is subject to change without notice.

Eastman Kodak Company
Rochester, N. Y. 14650

- ☐ Send me your free booklet, "Total Copying Efficiency."
☐ I'd like a free demonstration of the Kodak Readyprint copier in my own office.

Name _____ Position _____

Firm _____ Phone _____

Street _____

City _____

State _____ Zip _____



known contractor and conservative Republican, who approves of Mr. Reagan's approach to the University of California at Berkeley, the absence of new Watts explosions and a policy of straightening out California's fiscal problems.

But he gives high marks to Mr. Rockefeller as a proven, effective administrator of New York State—"and the United States of America isn't much bigger."

Nixon and Rockefeller

Tom Searl, a four-term Wyoming House veteran now in the State Senate, supports Governor Rockefeller, citing his "proven ability" in New York.

"I want somebody now that we can win with," says Mr. Searl, who is in the real estate and motel business.

He tells of selling the Rockefeller idea to a group of more conservative Republicans on the grounds of

strength against Mr. Johnson. He speaks well of Mr. Nixon. However, he complains about losses at the polls. "That's the only damn thing I'd have against him."

Another businessman in politics (insurance and real estate), William M. Murray, when asked his preference says: "My wife and I talk about it every night, and every night we change our minds."

If confronted with a choice today, he'd support Mr. Nixon whom he regards as "level-headed."

To him Governor Reagan "is great." He "stirs my soul. But I can't get a mental image of him as a President."

Robert G. Smith, president of the public relations firm of Kostka, Brooks and Associates, was for Governor Romney. "I've become increasingly disenchanted with him. He just hasn't commanded the situation."

"I just don't have any favorite,"

he adds, but if the election were tomorrow, "I think I'd vote for Rockefeller. I think he can be a winner. He has as much political experience as any potential candidate on the national scene."

Mr. Smith believes Governor Rockefeller may have more latent support than those people interviewed by NATION'S BUSINESS might suggest.

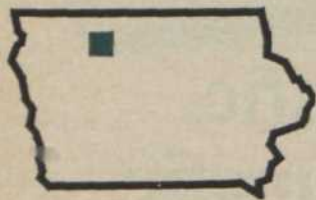
"In a conservative state, it's hardly popular to espouse a 'liberal' candidate."

There is dispute among Democrats whether Laramie County is really a bellwether constituency. Democratic registration was above Republican in 1964, even higher before the 1966 election.

But with blue-collar workers leaving the county in large numbers, this means a loss in Democratic votes.

But "as Laramie County goes, so goes the nation." **END**

Farmers mad—G.O.P. glad...



PALO ALTO COUNTY, IOWA—The average farmer in these rich-soil plains of northwestern Iowa plants corn and soybeans, raises a few hogs, fattens cattle for auction, owes the bank, drives to town on rainy days, sips a few beers with the boys—and is mad at Lyndon Johnson.

It's true that nationally the farmer's strength as a voting bloc is shrinking. But here, he's boss. If he has a good year, businessmen in the neighboring towns prosper. If he doesn't, they don't. It's as simple as that.

The bittersweet chocolate-colored fields in this part of the country are used to producing fat yields. But for many farmers, this has been a disappointing year.

All this spells trouble for Lyndon Johnson. For if the election were held today, interviews with scores

of Iowans strongly suggest he could lose this state he carried three years ago. And within the state, he'd probably lose the county—Palo Alto—which has voted for the winner in every Presidential election since 1896, when William McKinley squeaked by William Jennings Bryan, 1,601 votes to 1,545.

Who'd give the President his hardest run here? Right now it would be New York Gov. Nelson Rockefeller. But any of the prominently mentioned Republican candidates and noncandidates would stand a good chance.

Palo Alto County is 24 miles square, the size and shape of most of Iowa's counties, and sits just 20 miles south of the Minnesota line. Emmetsburg, Palo Alto's county seat, is the sister city of Dublin, Ireland.

Roads stretch out before you with only an occasional valley breaking their pencil straightness. Corn and soybeans spread right and left for as far as you can see.

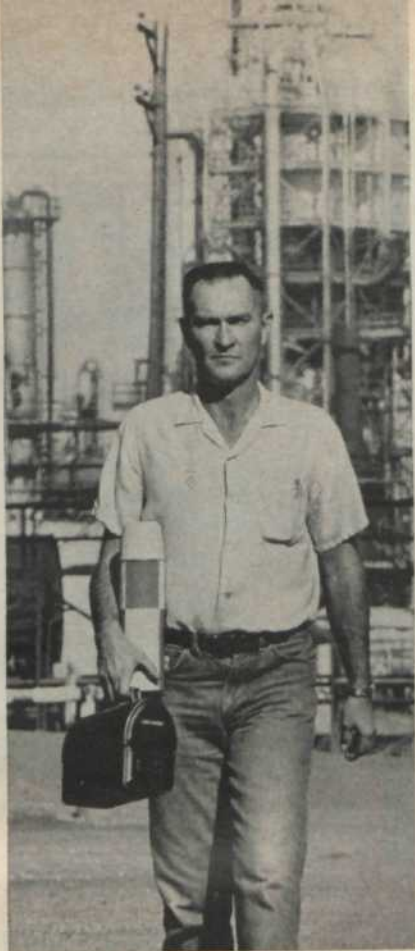
Named after the battle of Palo Alto in the Mexican War, the county was settled back in the 1850's by Irish immigrants. The settlers held their first election in 1858, and 44

votes were cast, all Democratic. A year later, in the first Iowa state election, the 44 Palo Alto Democrats stood fast; but with the arrival of three new settlers came three Republican votes. In the national election of 1860, the Abraham Lincoln electors received four votes and the Republicans rejoiced at the gain of one vote.

The Irish probably still outnumber the Germans and Scandinavians, and they've got the Blarney Stone in the Emmetsburg courthouse square to prove it. It sits in front of a statue of the famous Irish patriot, Robert Emmet. If you visit Emmetsburg on St. Patrick's Day, you can buy a \$1 can of "pure Blarney squeeze from the original Emmetsburg Blarney Stone."

In addition to being proud of their heritage, most Palo Altoans you talk to are well aware they've picked the winner in every Presidential election since before the turn of the century.

It's gotten so that *The Emmetsburg Reporter and Democrat* conducts its own poll the autumn of an election year. It's been right each year, too, and in 1960 came within one tenth of one percentage point



Larry Schieck, Democratic county chairman, hears union grumbling.



State Democratic Chairman John Rooney (left) chats with House member Edwin Whitehead and barber Burton Clark.



Palo Alto widow Vera Wegele feels the President is doing all he can.

PHOTOS: GEORGE CEOLLA-BLACK STAR



Farmer Bob Bergstrom "went all the way with LBJ, but not again."



Palo Altoans vote for the man, agree merchant Mike Nagle, Dick Kibbie, Jack Kibbie and newspaperman Tom Kelly (left to right).

of John F. Kennedy's winning margin.

You can't snooker 'em

People here are politically savvy. They know the candidates and the issues. "You can't snooker them," laughs personable, round-faced Charles Barlow, who moved to Emmetsburg from Mason City, 80 miles to the east, in 1958 to practice law.

Mr. Barlow is a Democrat, was elected county attorney last year and says he'd vote for President Johnson again. But relaxing in his tastefully decorated office on a day court wasn't in session, he volunteers that the national Democratic Party "has lost a bit of respect. The farmer thinks his voice in Washington has diminished, and he's not happy about it."

Around the corner, in a yellow-brown brick building that fronts on Main Street, Tom Kelly, a tall, straight, 51-year-old Irishman works tieless and with cigaret in mouth to put out Emmetsburg's two weekly newspapers.

Tossing papers from a chair in his cluttered office so you can sit down, he says he normally votes Republican and will this time around. "But last time I voted for Johnson; he was the lesser of two evils."

"People vote for the man out here," he remarks, "party labels don't mean much."

As he sees it, Viet Nam will be

the No. 1 issue a year from now, regardless of what happens. Other Iowans agree, almost without exception. There's disagreement and uncertainty, however, over who it will help and who it will hurt.

The big issues

Talks with farmers, housewives, merchants and political leaders from Emmetsburg to Graettinger, Cylinder, Curlew and Ayrshire expose what else bothers the Palo Alto County voter.

"The farmer's got a belly full of high costs and low prices," grumbles burly Norm Bortvit, an auctioneer and livestock dealer from up Graettinger way. He voted for President Johnson last time, but is for Governor Rockefeller now. His reasoning:

"I know he's from one of the richest families in the world, but I feel he'd have the most down-to-earth program, one that would really include the common man."

Sharing a booth at the Town & Country Cafe, just across the Des Moines River from Emmetsburg, the big Norwegian expands on the farmers' gripe: "I farm 200 acres. Fifteen years ago that would support a family; you could send the kids through school, even save some money. Not now. And what really bugs me is that our products are being processed by union laborers who make a hell of a lot more than we do."

"I'll tell you, a lot of Democrats are going to vote Republican; it's just like that."

Viet Nam and taxes are the big issues to prematurely graying Mike Nagle, who came to Emmetsburg from South Dakota four years ago to manage the Penney's store on Broadway. He's a Democrat who'd vote for President Johnson again, unless the Republicans run Governor Rockefeller.

"He'd make a tremendous candidate," this father of six says of the New York Governor. "He's not out looking for issues; he knows them."

"I get so damn mad about taxes, especially with the prospect of this surtax; it hits hardest the middle-income guy who can least afford it."

Sitting down in the shoe department, Mike Nagle, a 1955 graduate of the State University of South Dakota, confesses he "just can't get enthusiastic about Johnson like I did for Kennedy."

You hear this in only slightly different words from more than a few Democrats as you drive from farm to farm, town to town. Palo Alto, with its Irish-Catholic heritage, and especially its younger voters, had a crush on the late President.

"I think the thing that impressed me most about him was the kind of people he brought into government," reminisces farmer and county Democrat Chairman Dick Kibbie.

He admires the President, thinks he's done his best. Then he sighs,

"But I think if the voting were today, he'd get beat in Iowa by 100,000 votes."

Low price of corn hurts

Simplified, the issue that most damages the Administration in the eyes of Iowans is "the price of corn." It hangs around the lowest levels in a decade, while the farmers' other costs, for equipment, food, clothes, keep climbing.

Husky Dick Kibbie farms 440 acres in partnership with his brother. He plants corn, soybeans and oats, feeds 1,000 hogs, is working up to 1,000 cattle a year and has diversified further into corn-fed broilers.

"The danger in these low prices," he warns, "is that many really experienced farmers will be forced out of business."

Farmer participation in the federal feed grains program is widespread here. But the federally fixed formula for participation keeps changing, and more than a few see this as the root of their problem.

Changes that would boost prices for the '68 crop would no doubt help the national Administration. The question is, how much?

There's a deep feeling among many that the Administration leaned unequally hard on farm prices in its drive to keep over-all consumer prices from skyrocketing.

It encouraged increased corn plantings this spring. Then, says bespectacled Ed Norland, 45-year-old cashier of the Iowa Trust & Savings Bank, corner of Main and Broadway in Emmetsburg, before any of the crop matured, the Agriculture Department came out with a high yield estimate. "That cut 10 to 15 cents off the bushel price, just like that," he grumbles, snapping his fingers.

Ed Norland knows farming; he did it before coming to work for the bank. He's a Republican who voted for Barry Goldwater last time. He thinks Governor Rockefeller would make the strongest G.O.P. candidate in '68. "Johnson's lost a great deal of popularity; the people have lost confidence in him."

Iowans tend to be conservative. And many of them are cool, many others hostile, toward some of the Great Society spending programs.

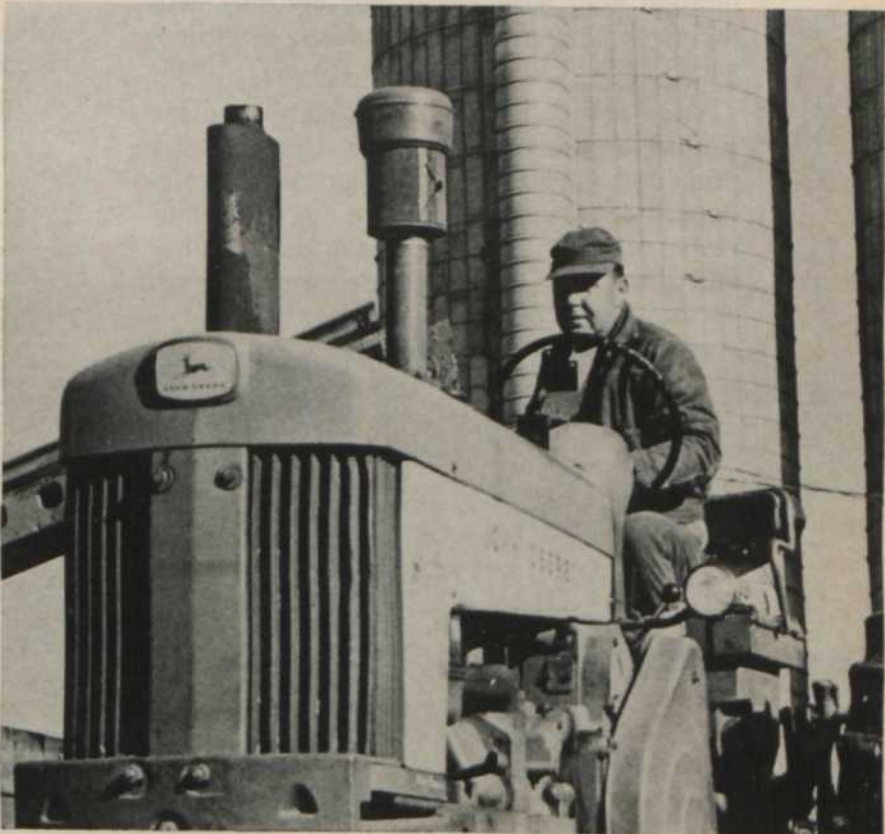
"I don't like all these giveaway programs," complains Lloyd Jensvold, craggy-faced owner of the Ford-Mercury dealership in Emmetsburg.

He's a Republican, but says he's never voted a straight ticket. He thinks the President can be had a year from now with a ticket of



Store manager Mike Nagle is mad about taxes, thinks Rockefeller would make a "tremendous candidate."

If the election were today, the President would lose Iowa, says Farmer-Democrat chairman Dick Kibbie.



役立つ理解

UNDERSTANDING HELPS

No one understands Japanese better than the Japanese . . . or Hindi like a Hindu. And almost no one understands your business better than you—except perhaps people in businesses like yours and your trade or professional organization.

That's why smart businessmen join the professional or trade association serving their field. They know that by exchanging their ideas with other businessmen and by working through their association they not only help themselves but their entire industry or profession.

Your association is equipped to provide a wide range of services. Research, industry practices, legislation, marketing, public relations, are just a few. There are a host of other resources your association can put together when you need advice on anything from advertising to world trade.

Why not join your association today . . . no one, but no one understands your business as well.

POINTERS FOR PROGRESS

through trade and professional associations

ELECTION '68 *continued*

Nelson Rockefeller and California Gov. Ronald Reagan.

There's some sentiment in this part of the country for Governor Reagan at the top of the ticket. Betty Janssen, brunette mother of four, tells you as you sit around the kitchen table chatting, "I like him (Governor Reagan). That speech he made during the last election impressed me so much; it's stayed with me."

The Janssen's farm totals 400 acres split up into three tracts. Mrs. Janssen was born in Ayrshire in Silver Lake Township, two miles down the farm-to-market road. She says her husband, Philip, born in that very farmhouse, is every bit as concerned as she is about "uncontrolled spending, the war and the racial situation."

Racial unrest is disturbing to many others even though there aren't any Negroes in this county; and, says one citizen, "I think there may be only one or two in the next county."

LBJ has friends—and problems

President Johnson is not without his supporters. Talk with Carl and Margaret Benson, who are in their fourth year of running the Chevrolet-Buick agency in Emmetsburg. Both voted for him in '64, and say they probably will again. Says Carl, excusing himself to wait on a customer, "Johnson would make most of these guys (prominently mentioned Republicans) look like monkeys."

Margaret, who's treasurer of the Palo Alto County Women's Democratic Association, concedes that if the war continues about the same way and if abuses in the administration of the poverty program aren't dealt with, the President has problems.

Ron Smith, a 26-year-old, slightly built schoolteacher who moved from Nebraska to a new home on the shore of Silver Lake, voted for the President three years ago and leans that way again. He has no doubt Viet Nam will hurt Mr. Johnson if it continues unresolved. But he sympathizes that the President has "a difficult job, and that people realize their taxes can increase in any Administration."

Richard M. Nixon is far from a forgotten man. In an early morning chat, crew-cut Tom Pico, who with his wife Shirley, runs the 20-unit Suburban Motel on Route 18, says, "I've always liked him. I voted



After 1500 miles, he deserves
a Cadillac for the last 23.

The rigorous demands of modern business more than entitle the executive to the ultimate in motoring comfort and performance. Only one car can provide the uncompromising luxury he has earned—only one can offer him a choice of eleven brilliantly styled models. Cadillac for 1968.

Cadillac
Standard of the World



against him when he ran against Kennedy, but I really didn't decide until the last day."

Sitting at his desk in his office next to the Iowa Trust & Savings Bank, lawyer Joe Hanson observes that "If I could pick the President, it would be Nixon; if I were to pick the candidate, it wouldn't."

He explains that while he thinks the former Vice President is the ablest, a lot of people would be reluctant to vote for a man they once voted against.

He thinks Senator Percy may well be the party's strongest candidate, or perhaps Governor Reagan.

Joe Hanson is Republican county chairman of Palo Alto.

Drive down Route 314 till just before you get to "Elmer's Gyp Joint," a service station; turn left and about a quarter of a mile later you're at Cap-Wood Lumber Co. Owner Gerald Shellabarger, dressed in well-worked overalls, grew up around here. He leans toward

George Romney, the Michigan Governor, "though I'm not entirely sold on him."

He cites a point that's brought out over and over in other Palo Alto interviews: "That 'brainwashing' statement has hurt him."

Vera Wegele, 76, rocks slowly back and forth in her chair and says: "Deed I don't know very much about politics, but I think President Johnson is doing everything he can; you can't please everybody."

The farmer's mad

Bob Bergstrom disagrees. "I went all the way with LBJ, but never again," he mutters over coffee at Bob's Diner, just outside of Emetsburg.

Dressed in blue jeans and cowboy boots, he tells you he used to truck hogs to Portland, Ore., and haul calves on the return trip. Now he farms 640 acres, sharing the crop, fifty-fifty, with the owner.

"You better believe the farmer's

mad. The only way I've made a go of it is by working a bigger farm each year. I started in '64 with 240 acres; this year I've got 640."

Unmentioned by any of the voters interviewed was Alabama's former Gov. George Wallace.

"In this county today, Bob Kennedy would run stronger than President Johnson," predicts Jack Kibbie, Dick Kibbie's crew-cut, farmer cousin, who's Palo Alto County's State Senator.

Jack Kibbie knows the voters of Palo Alto County; and he says his blonde wife Alice has knocked on all their doors campaigning for him.

"If the President gets the Viet Nam war honorably concluded, I don't think he could be beat. And across the country, head to head against one Republican opponent rather than a whole field, I think things are a toss-up. But in Silver Lake Township, Palo Alto County and the state of Iowa, if the election were today, he'd lose." **END**

Riots, Reagan and Rockefeller...



STRAFFORD COUNTY, N. H.—Here where the placid and picturesque countryside is dotted with small lakes and the gently rolling hills abound in spruce, birch and sugar maple, the people are worried.

Riots have not cast their ugly shadows over this peaceful land—and are not likely to. But as you talk with the farmer, the housewife, the insurance executive and the druggist you find a gnawing concern with this present-day tragedy.

A year from now, when the voters of Strafford go to the polls, the man they help elect President could be the man they feel is best equipped to restore racial harmony in this country.

In 1964, President Johnson carried Strafford County by a stagger-

ing two-to-one margin over his opponent, Sen. Barry Goldwater. The vote was 17,737 for Mr. Johnson and 8,342 for Mr. Goldwater.

Today, the President is in trouble in this southeastern New Hampshire county.

A sample poll conducted by a NATION'S BUSINESS editor shows that sentiment in Strafford is about equally divided as far as his conduct of the war in Viet Nam is concerned.

But the single domestic issue which evokes the most comment is the racial problem. Some blame the President directly for letting it get out of hand. Those who do not fault Mr. Johnson are quick to say they'll vote for a man—Republican or Democrat—who can convince them he'll end the racial chaos.

Strafford is far removed from big city urban problems and has not been influenced by any heavy outpouring of federal money. Poverty is not a major problem and it has not had to rely on federal help-the-poor programs. Electronics, rubber and shoes—and a smattering of agriculture—make up the economy. It has now recovered from the pullout

of the textile industry on which it once leaned heavily.

While the people here are inclined to focus their concern on racial upheaval, they have also heard a lot about welfare abuses, the White House "credibility gap," foreign aid, big government spending. None of these sit well.

And, of course, the prospect of higher taxes is distasteful to many.

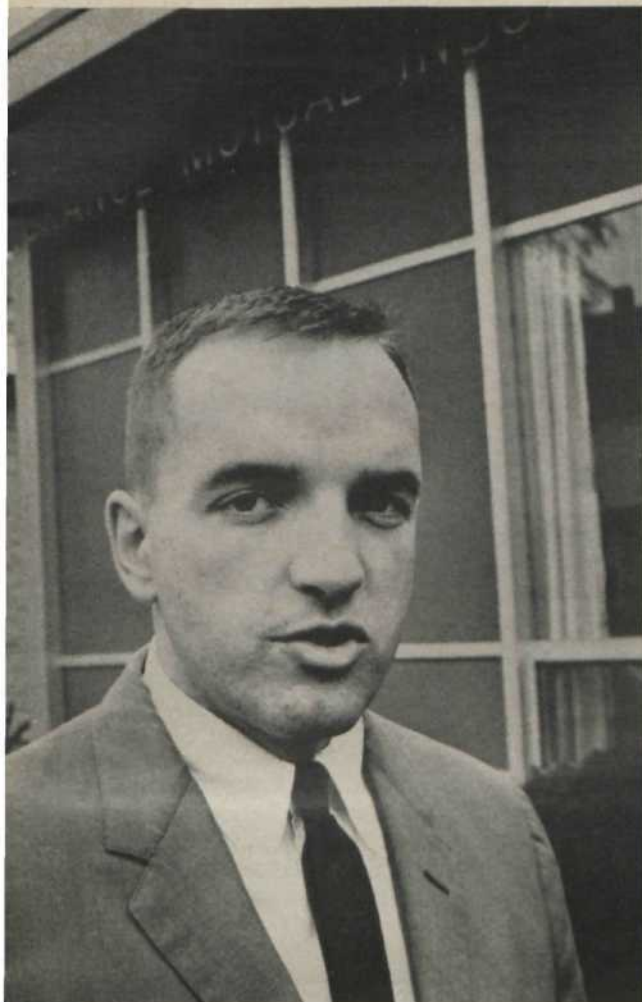
Those looking for new leadership in the White House find it difficult to come up with a Republican who might be considered leading the field a year in advance.

Gov. Ronald Reagan of California has an image as a popular youthful leader. (He is a good-looking 56.)

They like Gov. Nelson Rockefeller's record in New York and his wide background of federal experience before that.

The name of former Vice President Richard Nixon crops up but there is a feeling his party will not give him the nod.

You hear scarcely a word about Gov. George Romney of Michigan or George Wallace of Alabama, for that matter.



PHOTOS: IVAN MASSAR—BLACK STAR



Rochester insurance man James M. Bisbee, left, likes Rockefeller know-how. John Ballentine, top, a Somersworth print shop owner, will reject LBJ in '68. Dover pharmacy manager Neil Robinson also favors Rockefeller

Why LBJ's in trouble

President Johnson's difficulties in Strafford may be summed up in the comments of a prominent Rochester businessman:

"I voted for Johnson before, but I can't in good conscience do it again. The man is too much of a politician. I must question his methods. You can't get over the impression that he will use every subterfuge and trick at his command to accomplish his goals.

"The riots bother me. I don't know if the government can control them. And I don't know if Johnson can stop them. I have to say, though, that he turned me when he injected so much politics in his speech after the Detroit riot."

The speaker is a high-ranking official of the Democratic organization in Strafford. He says he will still work for his party but vote for Governor Reagan.

Just off one of the main intersections in Rochester is an attractive new office building housing the Grange Mutual Insurance Co. Its assistant secretary, 29-year-old

James M. Bisbee, interrupted his work to talk politics.

"Well," he said, "if we were voting tomorrow I'd go with Nelson Rockefeller. He has the knowledge and the experience. He has proved in New York that he's a qualified administrator."

Like many others this young businessman is disturbed about the course of events in Viet Nam. In his view it will be the major issue of the 1968 Presidential campaign. He also thinks the government has gone overboard on the war on poverty.

"It's not that I don't think something must be done in this area," he explains. "But there's just been too much mismanagement."

Racial turmoil, in Mr. Bisbee's opinion, is sure to be the major domestic issue. As he puts it, "It's a problem and if anyone's concerned about anything he has to be concerned about this."

In the upper reaches of the county, Highway 11 points its way toward the beautiful lake country and ski resorts of New Hampshire. Off

a side road, amid a cluster of modest homes, Mrs. Marion D'Amico operates a small country store. It carries a little bit of everything. Mrs. D'Amico is not too busy for there is only an occasional customer.

"Me?" she asks. "I voted for Johnson. But never again. He just hasn't done the job. The country's going to pot. I don't mean just for the little man, but the big man as well."

Mrs. D'Amico watches television and she's worried about the riots, too. "If somebody doesn't do something about these riots we're all lost."

John Ballentine runs a printing shop at the end of Market Place in Somersworth. It's in a ramshackle old building but his office has been done over tastefully. He can look out his window across the Salmon Falls River into Maine.

Why they like Rocky

Mr. Ballentine, a tall, lean man in his thirties, obviously enjoys talking politics. A registered Re-

Friday, Nov. 17th

"The National Gallery of Art"



10-11 p.m. Eastern and Pacific Time

9-10 p.m. Central Time

One of the American Profile TV documentaries sponsored by

NEW YORK LIFE INSURANCE COMPANY

51 Madison Ave., New York, N.Y. 10010

"The New York Life Agent in your community is a good man to know"



The Sign of men who know more about full-service truckleasing than anyone in the industry. One of them lives in your area.

Consult your **NATIONLEASE** man first... he is!

FREE! "LEXICON" and Visorfold Map Spotting 250 NATIONLEASE Servicenters.



RENT or LEASE a new CHEVROLET or other fine truck

A nationwide network of 250 locally owned facilities with national know-how.



Yellow Pages under "Truck Rental and Leasing"; White Pages under "National Lease"—or write:

NATIONAL TRUCK LEASING SYSTEM

Serving principal cities of the United States and Canada 23 E. Jackson Blvd., Suite E-11, Chicago 60604

ELECTION '68 *continued*

publican, he crosses the line frequently to vote Democratic, as he did in 1964 for Lyndon Johnson.

"I'm impressed by Gov. Rockefeller's record of leadership," he tells you. "He has a firm hand on the tiller. His fiscal program in New York has been very unpopular and that takes real guts to get behind something you believe in."

"I think the people in this country want a change. There's an uneasiness you can't put your finger on. People are dissatisfied with the status quo."

Although he feels the President has been an extremely effective administrator, Mr. Ballentine no longer can support him. He explains:

"I'm afraid I think the man is ruthless. He gives you a feeling that you just can't trust him. I have a vision of a standard of conduct for a President higher than I am willing to give Lyndon Johnson."

In the same old weather-beaten structure is housed the Somersworth *Free Press*. Nicholas Littlefield, 26-year-old editor, is trying to put out a newspaper. He pushes copy aside and answers questions.

"I'm for Rockefeller," he says. "I'm impressed with his record in solving some of New York State's urban problems. He knows how to get his programs through the legislature."

Mr. Littlefield criticizes President Johnson for not assigning priorities to such high-cost items as Viet Nam, the war on poverty and the space program. He feels:

"We've got to decide what we want in this country. Johnson says we can have them all. Well, I don't think we have the money or the manpower to do everything he wants."

Neil Robinson, 32 and father of three children, is manager of Newman's Pharmacy at 1 Silver St. in Dover, the county seat. He wears the familiar pharmacist wraparound white jacket. Mr. Robinson would like to see Mr. Nixon get the Republican nomination but doesn't think he has a chance.

"I believe it will be Rockefeller and I would vote for him," he points out. "I like his stance on several programs and I think he would be particularly effective in foreign affairs."

Next door in his dimly-lit barber-shop, Armand Lord waits for customers. A short, ruddy-faced man, Mr. Lord is a registered Republican

who voted for President Johnson once and will vote for him again.

"You want to know why I favor Johnson?" he asks. "Show me somebody the Republicans can come up with who has a chance. They just don't have any candidates."

Riots rile them

The riots bother Mr. Lord.

He says, "Johnson could have stopped this trouble if he wanted to. If you and I did some of the things these people are allowed to get away with they'd throw us in jail."

Robert Temple is a tall, good-looking attorney and a Democrat. He is dressed impeccably. Mr. Temple, 40, is a partner in a three-man law firm on Central Avenue in Dover.

"I'm frustrated with Johnson," he says. "When you say 'credibility gap' you mean Lyndon Johnson. At least I know where Richard Nixon stands. I'm disenchanted with Viet Nam and I'm sick of paying high taxes."

Dr. Daniel R. Sullivan, a Dover optometrist, says he will vote for Mr. Johnson again but feels the President will have tough sledding with the Viet Nam issue and inequalities in his poverty program.

But another Dover attorney, Louis H. Silverman, is solidly behind President Johnson. He believes along with the others that Viet Nam—"where we're inextricably involved for better or for worse"—will be the major issue of the campaign.

Richard McHugh, 33, is chef at the Somersworth Hotel in Somersworth. He was also waiting on tables on the day he was interviewed.

A veteran of the Korean War, Mr. McHugh voted for President Johnson in 1964.

"I've got enough of him," he says. "I think I could go for a man like Richard Nixon. He's not a yes man."

"The riots will turn a lot of people. They've had enough."

War and taxes

Dean Hunneshagen looks like a young businessman. He is well dressed and carries a briefcase. Mr. Hunneshagen, 26, is pastor of the Resurrection Lutheran Church in Rochester.

"I voted for President Johnson last time," he explains. "But I don't agree with his position on Viet



It looks even better to a secretary.

We agree that the new Underwood 702 looks great.

But there's more to the 702 than just good looks. The front panel for instance. It's made of *cushioned* vinyl. Why cushioned? To give your secretary a soft shoulder to lean on when proofreading or erasing. And it comes in a choice of four warm colors.

Then there's the age-old problem of getting inside the typewriter

to change a ribbon. With the Underwood 702, your secretary simply presses two concealed levers and the case glides open. The top of the case even swings open to allow quick, easy access.

But the most important thing about a typewriter is how well it types. Unlike other electrics, 702's typing never gets spotty and uneven. The type bars are driven by a steel power shaft—not rubber

that wears and needs frequent replacing or adjustment.

There's much more that's new—from horizontal half-spacing to contoured keys for typing comfort. Call for a demonstration. Your office will look better. Your letters will look better. And as a result, so will your secretary.



olivetti underwood



Identify yourself with Fort Howard printed paper place settings: napkins, place mats, doilies, coasters that tell your customers who you are, where you are, and what you have to offer. They're a colorful, inexpensive way to advertise a business, a product or promote an idea. Ask the Fort Howard Paper Man about our free design service. He's "Mr. Dependable," the paper wholesaler who makes sure you get service as dependable as the quality of our paper towels, napkins, toilet tissue and printed paper place settings.

Fort Howard Paper Company

Green Bay, Wisconsin

AMERICA'S MOST USED PAPER PRODUCTS AWAY FROM HOME

"MR. DEPENDABLE"



FORT HOWARD
PAPER MAN

Nam. I like Chuck Percy and that's because of his position on Viet Nam.

"I don't like Johnson's approach to some of our urban problems, especially his model cities proposal. One of the biggest urban problems, the riots, will certainly be a major issue in the campaign."

Mrs. Eleanor Murphy and her husband operate a small grocery store on Market Place in Somersworth. She is an attractive woman with a ready smile.

In 1964 Mrs. Murphy voted for Lyndon Johnson. But disenchantment has set in. While she supports the President on Viet Nam—"we have to stop communism somewhere"—she is not happy with LBJ's Great Society programs.

"I consider myself an independent voter," she points out. "Right now I lean toward Ronald Reagan. I feel he's done a pretty good job out there. But I want to know more about him. I also like Rockefeller. Now I can't blame Johnson for everything. He's got a tough job."

Ray Lamoureux operates a marina in Milton. He and Mrs. Lamoureux, a pert brunette, clash on politics.

Mr. Lamoureux says Mr. Johnson is doing a fine job but should cut down on domestic spending. Mrs. Lamoureux thinks the President is a "sadist."

"He's not ending the war," she offers. "He's not even trying to. I would vote for Bobby Kennedy if I had a chance."

Philip Dumais, a partner in the Dumais Brothers Contracting Co. in Somersworth, has been a Democrat all of his 60 years. But he's thinking of changing if President Johnson is the Democratic candidate again.

Mr. Dumais worries about the riots, too. "These riots could be controlled if the authorities really went after the trouble makers," he asserts. "I can't understand how in a free country like this our people should be fighting among themselves."

"The politicians are trying to make time with the Negro voters and don't want to do anything about these riots."

The barber was putting the finishing touches on Norbert Couture's four-year-old son's handsome young head when the father was asked his opinion on the election. A short, hefty man, Mr. Couture is the city clerk in Somersworth

and considers himself a liberal Democrat.

"It's always hard to beat the man that's in," he began. "I voted for Johnson in 1964 but I don't know if I'll vote for him again. I never was enthusiastic over this poverty program and I'm also in favor of ending the war. I think this civil rights business will be a big issue next year. And so will Viet Nam and the war on poverty."

State Representative Jack Maloomian wanted to get things off his chest. Business was slow at Jack's Footwear which Mr. Maloomian operates in Somersworth. A voluble man he was prepared to discourse on a variety of subjects, particularly politics.

Mr. Maloomian is an Armenian who came to this country as a child. A six-term Democratic House member he is a Johnson man all the way. But he is disturbed over the rioting, people who don't want to work, foreign aid and inflation.

"People have things too good in America and they don't appreciate it," Mr. Maloomian believes. "I wish more of them would have come from the old country and they would be in love with America."

At the First National Bank in Rochester, Raymond V. Jones Jr., vice president and cashier, has no doubts for whom he'd vote.

"If Mr. Reagan had his name in the hopper he'd be my choice. His youth has something to do with it. And what he's tried to do in California. We have got to realize we can't keep on spending money on pet projects. Somebody has got to pull in the reins."

"Frankly, I'm getting a little nervous. Some people want the government to pay for everything. Well, you can spend so much money, let's face it. Here, we are trying to stimulate the economy on one hand and on the other saying it can't be done. It's a pretty fine line."

Archie Lizotti's general store on Highway 16A just out of Somersworth is a quaint showplace. You can see Mr. Lizotti is proud of it. Jovial and rotund he greets his visitor cheerily. Like some of the others Mr. Lizotti says he has voted for Mr. Johnson for the last time. He, too, likes Ronald Reagan.

"I'm tired of reading about people on relief who refuse to work," he comments. "I say put them to work. We're giving them too much. Every time I pick up the papers

there's a federal grant for this and a federal grant for that. They don't tell you whose paying the bill. It's you and me."

Mr. Lizotti's little general store is far removed from the riots of Detroit and Watts and Chicago but these things worry him.

"It's just unbelievable that we have riots like this in the United States," he says. "The police have their hands tied and they can't do a thing."

"Imagine, they have to read a book to tell them how to make an arrest."

"I just can't understand it." END

Would the loss of these records disrupt your business?

RECEIVABLES
PAYABLES
TAX
LEGAL
INVENTORIES
SALES
CORPORATE

Then protect them in **HERCULES** Fire-Fighting Files!



Built like a safe. Full outer and inner walls of heavy gauge steel. Thick, poured Thermo-Cel insulation in between. Letter, legal, ledger, check sizes at office equipment dealers everywhere. Check yellow pages under "Safes." Or write for FREE fire-facts booklet.



Meilink Steel Safe Company
Dept. NB-11 • Box 2567 • Toledo, Ohio 43606

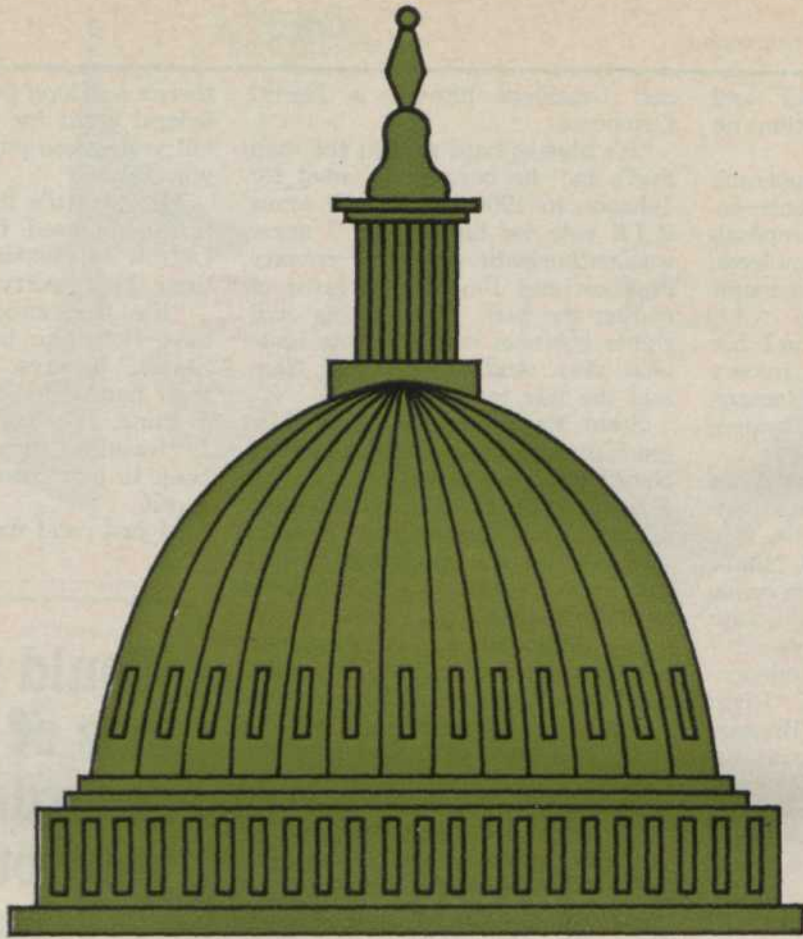
For protection of personal records and valuables...

HERCULES
Home Vaults®

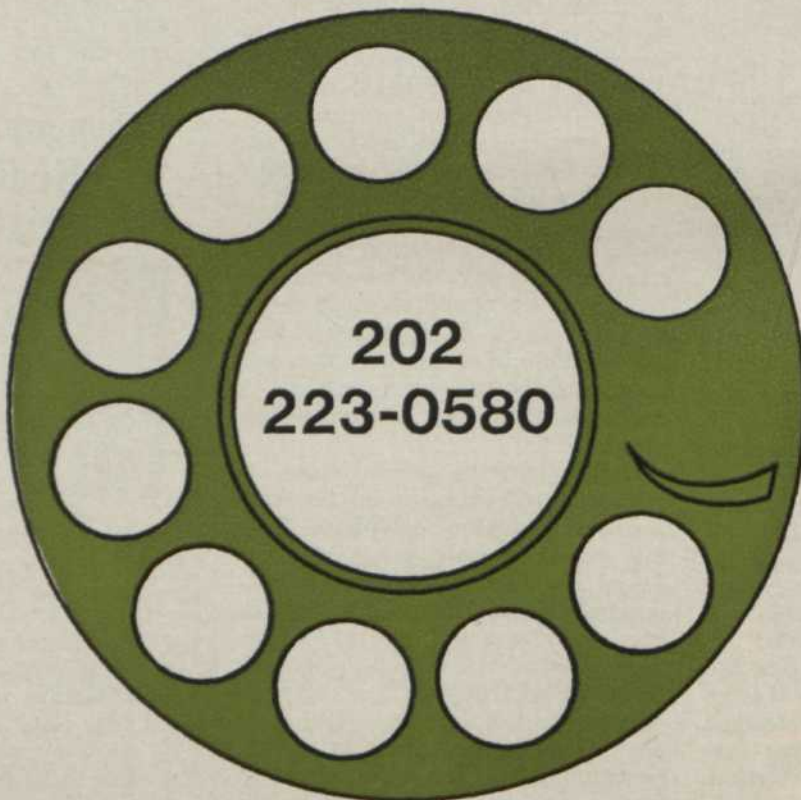
Official fire-resistant label, 17 models from \$19.75 to \$143.50 (Eastern Zone). Send for FREE catalog.



PROTECTION PRODUCTS SINCE 1899



CALL WASHINGTON DIAL



You Can Find Out, Right Now, What Is Happening in Congress

To find out what is happening in Congress, all you have to do is pick up your phone and call Washington Dial.

The number is: 202 223-0580.

Legislative Information

Washington Dial is a special legislative information service which the National Chamber makes available to its members and to the public.

Washington Dial gives you an objective, dependable, intelligent, up-to-the-minute recorded summary of what Congress is doing on major legislative proposals affecting business and the economy.

Widely Used

Businessmen in all parts of the country call Washington Dial regularly. So do TV and radio news broadcasters, newspaper editors, organization executives, and others.

Washington Dial has become so popular, in fact, that recently we had to have additional lines and equipment installed to take care of all the calls.

That's the way we like it. And we will welcome any calls from you which you may care to make to Washington Dial—202 223-0580.

P.S.—Washington Dial operates 24 hours a day.

MAKING KNOW-HOW PAY

A conversation with Col. Willard F. Rockwell, the venerable industrialist who built two huge enterprises simultaneously

Col. Willard F. Rockwell is an impatient man. He's been that way all his life.

The robust Colonel is 79 now and has recently grown a trim beard.

He climbs the stairs to his third-floor office rather than waiting for the elevator. And, an associate says, "He beats the elevator every damn time."

He still works seven days a week and travels 90,000 miles a year.

His people warn, with good reason, that if your appointment with him is for 10 o'clock, you'd better be ready by 9:30.

This is the man who built two business empires simultaneously from scratch.

Rockwell-Standard Corp. last year sold \$636 million of automotive and truck parts, materials handling equipment, cotton gins and executive aircraft.

On Sept. 22, it merged with North American Aviation, Inc., the aerospace giant, to form North

American Rockwell Corporation. Rockwell Manufacturing Co., with 1966 sales of \$206 million, is a separate entity, making gas, oil, water and liquid meters, power tools, railroad undercarriage frames and taxi and parking meters.

Col. Rockwell is chairman of the boards of North American Rockwell and Rockwell Manufacturing.

He's a proud man, proud of his accomplishments and of his family, which at latest count numbered 61, including the great-grandchildren. His son, Willard Jr., is vice chairman of both Rockwell Manufacturing and North American Rockwell as well as president of the latter's commercial divisions.

The Colonel has been honored by any number of professional organizations and foreign countries and doesn't believe in just sipping champagne with the folks and going home. The Venezuelans honored him recently, and he followed through by hosting an evening

party "in grateful acknowledgment to the Republic of Venezuela."

In the following interview, NATION'S BUSINESS gets the Colonel to reminisce, to talk about how he built, what he looks for in younger executives, where he thinks the country is headed.

Col. Rockwell, as a schoolboy in Boston, did you have any idea what kind of a career you would follow?

Well, yes. My first technical schooling was at Boston's Mechanic Arts High School. It had a very thorough technical course in designing and operating machines and basic training in technology. I decided then that I wanted to become a consulting industrial engineer.

And then you worked your way through Massachusetts Institute of Technology?

Right. My father was a building contractor. I worked for him during the summers, except one summer





"I told them the country was in trouble, but they laughed till the banks closed."



"There's so much government waste."



"I like to lay bricks; it's a good way to relax, to get exercise without strain."

when I worked for New England Telephone Co., repairing hand-ring telephones.

There was a lot of competition for jobs back then, wasn't there?

It was awfully tough. The Panic of 1907 had created great unemployment. We were in a real recession; I took any job I could get. There was no more demand for engineers than for astronauts.

I found engineering work only in small plants at low pay, and I spent every evening studying and reading about technological advances.

For a time you were a chief engineer in a cider plant, isn't that right?

It was really a very modern cider vinegar plant; they made what was called champagne cider. They used to fortify it with sugar and let it ferment. Every time they shipped it down South, there was plenty of excitement. The plant burned down, as the fire department ran short of water. So I had to find a new job.

What was your weekly salary then?

Less than \$10.

And then where did you work?

A Mr. Clinton Scovell had a rapid rise in Boston as a certified public accountant, specializing in industrial accounting. Few companies made any attempt to keep cost accounting books before then. At the end of a year, they would take inventory and figure their debts and what was owed them, and make out a year-end balance sheet and operating statement.

Mr. Scovell decided in 1912 to add an industrial engineering consulting service, and hired me to organize it. For three years I served as consulting engineer to many companies in New England and elsewhere.

In 1915, one former client became interested in the Torbensen Axle Co., which was having its products made by a subcontractor. When Torbensen's axle business increased rapidly, the subcontractor found its own business growing so fast it asked Torbensen to produce its own. The former client asked me to take charge of engineering and manufacturing in Torbensen's Cleveland plant, which I did in 1915.

You left Torbensen several years later?

Yes. In three years we grew to



no matter what you need to copy... Apeco® Super-Stat

copies anything easier, faster, at lower cost and without danger of damage to the original. Arnold Palmer has joined the growing army of Apeco Super-Stat users and for good reasons, too. It's the copymaker that copies pages from books, any paper, any color, any ink, even 3-dimensional items, and you pay less to make a copy. Equally important, the original never enters the machine . . . it can never be damaged. But, versatility, lower cost and safety for originals are only a few of the many reasons more and more leading companies are switching to the Super-Stat. For the complete story call your local Apeco representative

Sales Offices or Authorized Representatives in all leading cities.



APÉCO AMERICAN PHOTOCOPY EQUIPMENT COMPANY / 2100 WEST DEMPSTER STREET, EVANSTON, ILLINOIS 60204

be the largest manufacturer of truck axles. But I felt our axle was becoming obsolete. I recommended two new types, but was told that Ford had made no changes in the Model T in many years, and the directors saw no reason to change their axle designs. I learned of an axle plant which was in financial trouble, and in 1919 moved to Oshkosh, Wis., and organized the Wisconsin Parts Co.

But those times in 1919 weren't so good to start your own axle business, I understand.

That's right. We had great success the first year; we went from sales of \$30,000 a month to \$180,000 a month in just 18 months. Then our world blew up.

The Panic of 1920 hit. On top of that, the government dumped war surplus truck axles on the market. One of our customers was rated AAA-1 in June of '20 and was bankrupt by September. I've never seen anything like it.

I decided we'd have to diversify because of the wide swings in truck production schedules.

And from that start, you built Rockwell-Standard Corp?

We soon had the best prospective customers looking at our axles. The big one was International Harvester. They tried one of our axles and were satisfied; but they said, "A small company like yours can't take care of our growing business."

At that time, the biggest truck axle company in the world was the Timken-Detroit Axle Co. They recognized the superiority of our axle designs and made us a merger offer, which we accepted. Since then, we haven't been troubled by doubts about our financial ability as an automotive parts supplier.

My youngest brother, Walter, and I operated the Wisconsin company quite separately from Timken-Detroit after the merger. I had become a director of Timken-Detroit, and in 1929, Walter and I saw indications of a recession similar to that of 1920-21.

We decided to trim our sails, to watch our banks and our credits and to build up our cash reserves. We converted much of our cash to government bonds, but I was unable to convince the Detroit directors that the depression might continue for several years.

They said the company had \$3 million in the banks (which was a

very large sum back then) and could survive any depression. But when the Detroit banks closed in 1934, you couldn't get at the \$3 million. It was then that Mr. H. H. Timken asked me to take over management of the company.

He said, "Bill, you and I are in an awful lot of trouble."

I said, "Why?"

He said, "Why, we are the only directors with any money, and the stockholders will sue." But Mr. Timken never failed to work for his shareholders most conscientiously, and was a great teacher to me.

I said, "They might sue you, but they won't sue me. I told them at each meeting that our country's economic situation was in trouble, but they laughed at me until the banks closed."

In 1934, Timken-Detroit had only one million shares outstanding and \$3 million in the closed banks; the stock quotation dropped to \$1 a share from a 1929 high of \$34 a share.

Eventually, most of the closed Detroit banks paid back every dollar of their deposits, with interest.

I wasn't even paid a director's fee. They liked me so much they didn't want to insult me by paying me, or even my expenses.

We diversified, producing axles for every kind of heavy-duty vehicle and accessories for industries less vulnerable to wide swings in sales.

We changed our name to Rockwell Spring and Axle Co., and later to Rockwell-Standard.

While you were building Rockwell-Standard, you were also putting together a separate enterprise which today is Rockwell Manufacturing Co. How did this come about?

Well, the Mellon brothers always thought Pittsburgh should be the center for the passenger car business in this country.

They started the Standard Steel Eight—one of the biggest luxury automobiles ever made. But when it didn't make any money, the Mellons closed the plant rather than try a change of management.

They tried to sell the plant, but nobody offered enough. It was a fine building, modern in every way. Finally they asked, "Why don't we buy something and put it in there?"

They decided to manufacture meters and regulators for the natural gas industry, and so purchased the assets of a manufacturer who had been established in the 1880's. The

Mellons had known me when I was a consulting engineer and asked me to come over and organize the company after moving into the modern plant.

We hit \$300,000 sales that first year; now we need \$300,000 a week just to keep the doors open. We diversified into parking meters, taxicab meters and such. That company is now Rockwell Manufacturing.

I've heard you work seven days a week.

Sure I do. I often get to the office a little after 7:00 a.m. and stay till after 5:00 p.m. I spend at least four hours a day reading technical magazines—current literature on our political economy, domestic and international. We have to know something about what is going on all over the world, because we have plants all over the world.

Do you leave your briefcase at the office?

Yes. I would go crazy if I spent every evening worrying about business. I used to bring work home with me. I was worrying all the time until I learned it only made matters worse to form that habit.

Is it true that for years you employed a former racing car driver as your chauffeur to cut down the travel time from home to office?

Yes. I try to insist on a good driver. Right now I have two that always manage to get in the slow lane. If there are five lanes, they will find the one that's blocked.

How did you attain your rank of colonel?

I was in charge of a plant which had to be converted to military truck production during World War I. I was made a civilian adviser on design in charge of certain truck production for the Quartermaster Department.

After the war, I was commissioned a major. I had been in the Massachusetts militia in 1906, and as a reserve officer I was commissioned a lieutenant colonel in 1930. Somehow everybody began calling me colonel. One reason was the current existence of four W. F. Rockwells in the same family, and the many years I was active in the Reserves.

And during World War II you guided this country's shipbuilding program?

That's right. I had charge of procurement and production for the Maritime Commission. At our peak during the war, America turned out

For the price of this expensive new Pontiac, you can buy a low-priced car.



You know that fleet car you're thinking of buying? That typical example of the so-called low-priced three?

For the same money, you can buy that prestigious new Pontiac Catalina up there. And get a regular-fuel 400 cubic inch V-8.

A longer, smoother riding wheelbase. And Pontiac's inimitable Wide-Track.

Not to mention a fleet car that doesn't

look like a fleet car. A beautiful new Pontiac that will make your company look like a company worth looking into.

At this point, you're probably asking how you can get all this for the same money you'll pay for a lot less car.

Which means you haven't checked into our new Fleet Plan. Or Catalina's traditionally higher resale value. High enough to

make up any dollar difference in initial price you might run into.

And now that you've asked a question, let us ask one: Now that you've read this far, are you still thinking of buying that so-called low-priced fleet car?

For more information, talk to your local Pontiac dealer. Or contact our Fleet Sales Department, Pontiac, Michigan 48053.



MARK OF EXCELLENCE
Pontiac Motor Division

ships at the rate of about 40 a week. Because the companies in which I had interests were chiefly employed in military production, General Knudsen recommended me to the Maritime Commission where "conflict of interest" was less likely to be incurred.

You've given your time unselfishly to government service. Should more businessmen do so?

If every businessman was able to learn what I did about government operations, it would have been impossible for government to take over industry as it has. I am often asked why I don't write about my experiences. But if I told of the incidents in which government control spurned good business judgment, it would seem incredible.

How do you choose and keep the right men in the right jobs?

Most of the young men who joined me in the early days have stayed on. In some cases, their sons and grandsons are with us.

The qualities I look for above all are loyalty, a belief in the company's growth, ability to work with customers and prospects willingly and pleasantly and ability to keep up with the technological advances in design, production and sales.

We sometimes switch a good man from job to job. He always has some fresh ideas and benefits by new experiences.

Once you've selected a man for a job, do you give him pretty free rein?

I do. I give him just as much freedom as I can without giving up control of our business principles.

What was your most difficult business decision?

To resign as a highly paid executive and set up my own business with a very limited amount of capital.

I decided if Torbensen wouldn't make the axles they should make, I'd leave and make them myself.

I was making around \$25,000. That was a darn good salary back then. They offered me a lot more to stay. But I told them, "You can't pay me any amount of money to stay; besides, I think you will go broke." And they did have to reorganize in the early '20's.

A friend of yours says you have an uncanny knack of being able to sniff out the fact from the fiction.

Well, if you don't, you are in an awful lot of trouble.

How do you do this?

In many cases I have had a lot more experience than other people. I have seen about everything happen that could happen in business economics.

Why has the father-son team of Rockwells worked so well?

Because I used every opportunity to advance my son's education and because he applied himself to gaining experience. He attended several advanced institutions and has studied industrial methods all over the world. He worked under several other employers before joining us. There has never been any division of responsibility since he was willing and able to assume responsibility.

Throughout your career you've always spoken your mind. Have you ever regretted it?

No. It's made me a victim of many political assaults, but I have found that differing opinions are not treated with contempt if your opponent thinks you're prepared to uphold your opinions.

Vision is one of your strongest suits. Is it something a person can learn, or must he be born with it?

Knowledge of human nature is very important, and whether one has it or not is best shown by his success or lack of it in dealing with other individuals. Time will tell whether a man has 20-20 vision, but no one can be sure when he may lose it.

You don't have much sympathy for the present federal government's anti-poverty program do you?

President Grover Cleveland clearly stated that the government has no funds to support a minority group except by taking them through taxes from the majority until all are reduced to poverty.

There's so much waste in government, you know; research projects such as investigating the love life of a South African mole or something.

What about federal budget deficits? Do they cause inflation?

They sure do. We are living beyond our means; even Franklin Roosevelt said that if you did that

very long you would go broke. He spoke right, and did wrong.

I'm told you have some strong feelings about our profit system.

We have a profit and loss system; even our greatest business enterprises suffer losses occasionally. Business is like people, who either grow or die. And a business which does not have a fair profit cannot grow, just as an individual who does not have proper nourishment becomes anemic.

Several years back you traveled to Russia and met with then Premier Nikita Khrushchev. What was your impression of Iron Curtain regimentation?

Khrushchev was a braggart. But he had to confess several failures, such as the inability to make Russian workers produce without incentives, which he said was going to be changed. When he said he was going to pay everyone on the basis of quantity and quality of production, I told him that I understood that was the fundamental basis of free capitalism. I felt he was approaching the end of his domination, and actually he was dismissed about 11 months later.

Any sign of disloyalty or discontent with communist life results in banishment. The young people who cannot keep up with their classwork become dropouts, assigned to the equivalent of slave labor. The government decides where they work. If rebellious, they end up in Siberia, and the knowledge of this pattern causes both mental trouble and crimes.

When you have the time, how do you spend it?

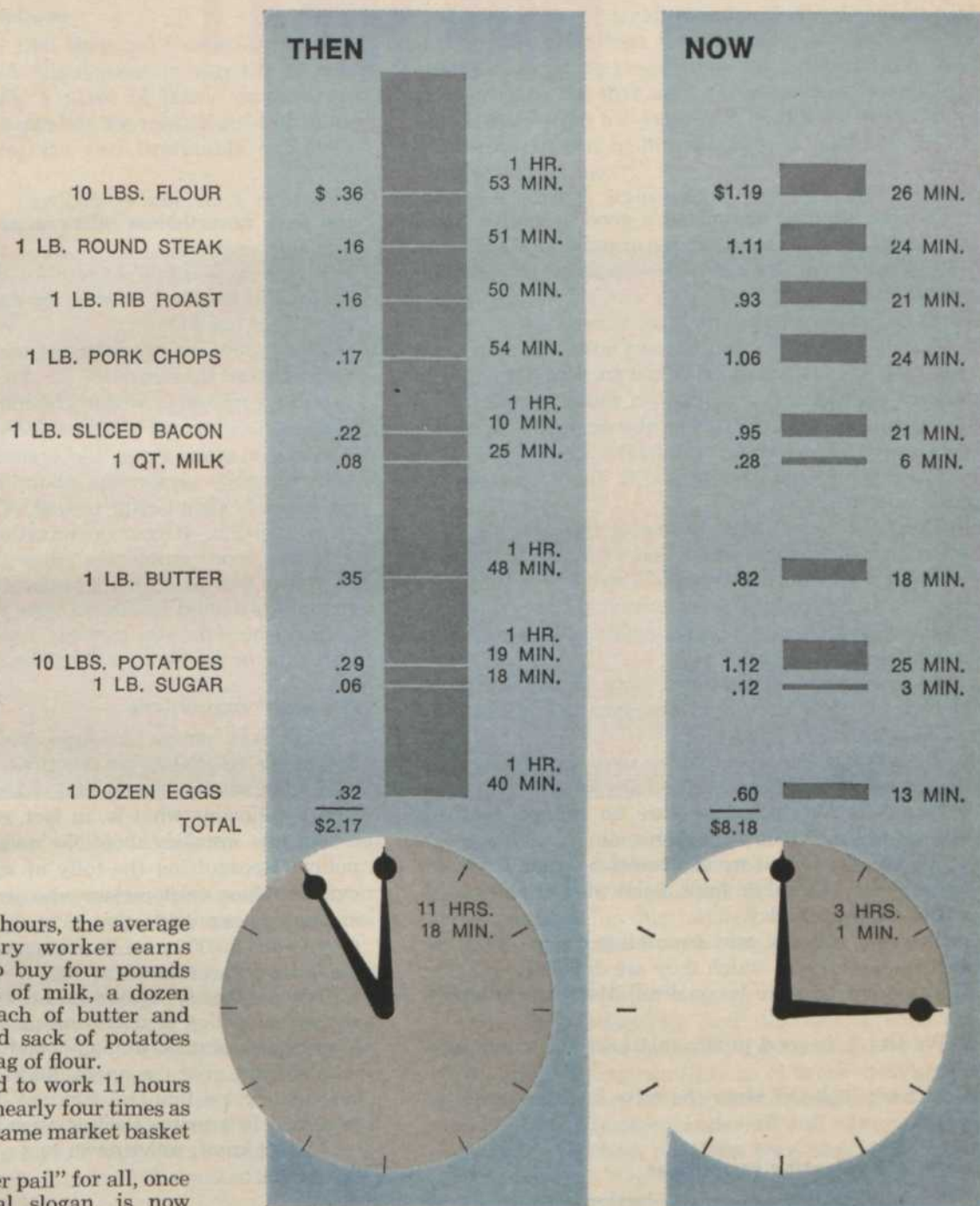
I like to lay bricks; it's a good way to relax, to get exercise without straining yourself either mentally or physically.

What do you build?

Walls. I live on a hillside with a big valley down below, so I build brick walls. People ask me, "When are you going to get through?" I tell them I can still build a few more miles around here. **END**

REPRINTS of "Lessons of Leadership: Part XXX—Making Know-How Pay" may be obtained from *Nation's Business*, 1615 H St. N.W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

HOW LIVING STANDARDS HAVE RISEN



BASED ON LABOR DEPARTMENT'S "HANDBOOK OF LABOR STATISTICS" AND COMPILED BY HERBERT BEINSTOCK, NEW YORK REGIONAL DIRECTOR, U.S. BUREAU OF LABOR STATISTICS.

In three short hours, the average American factory worker earns enough money to buy four pounds of meat, a quart of milk, a dozen eggs, a pound each of butter and sugar, a 10-pound sack of potatoes and a 10-pound bag of flour.

In 1909, he had to work 11 hours and 19 minutes—nearly four times as long—to buy the same market basket full of food.

The "full dinner pail" for all, once a potent political slogan, is now passé.

America's free enterprise system, a marvelous wealth-producing machine, has made that austere goal an historical curiosity.

Not only is our system incredibly efficient and productive, it also shares its benefits more broadly than any other system. Americans today

are better fed, as well as better housed and clothed, than any nation in history.

The chart above gives a detailed account of what it once cost American workers to live—in terms of

hours and minutes worked—and what it costs them now. It tells the story of higher wages, and increased purchasing power, that has marked each decade of our Twentieth Century—despite inroads of inflation.

Do him a favor...

FIRE HIM !

You've hired or assembled a good executive team. You've tried to see that the members of the team individually and collectively contribute to company success.

But what do you do with those who don't?

The businessman used to have no problem in dealing with ineffective or unsatisfactory performers—he merely canned them. Today in many organizations firing an executive or high-level manager is generally considered undesirable, if not taboo.

Recent research conducted at the University of Colorado bears that out.

The study, conducted in one of the nation's large metropolitan areas, showed that of 80 firms, ranging from small businesses with 25-30 employees up to the nation's giants, only 13 companies had fired (or otherwise separated) any manager against his wishes during the past five years.

And in those 13 companies, only 17 managers had been axed, many of whom were given the opportunity to resign.

The explanations companies most commonly give why more managers aren't fired are these:

- Our selection techniques are so refined that we never hire a man who can't do his job.
- We are so big that we can transfer a man from one job to the next until he finds a slot where he fits.
- It's company policy.
- Through training and counseling we develop our men in any area in which they are deficient and thus don't permit them to become unsatisfactory performers.
- We feel it is good public relations not to fire anyone.

A closer look will show the error in these rationalizations.

Infallible selection techniques

Any claim that company selection techniques are infallible can be summarily dismissed by the practical businessman. The fact is: "It just ain't so."

Or at least, so say experts in the field.

One asks this question: "If their selection techniques are so well refined, why hasn't someone else discovered the secret?"

We transfer our problems

The second explanation, far more reasonable than

the first, nevertheless offers some difficulty in practice. For example:

Where do you find a berth for the alcoholic?

How do you find a berth for the man who decided to retire at age 31?

What about the chronic absentee?

How about the neurotic?

If the problem is within the man, doesn't he carry it with him wherever you transfer him?

While in some cases, big organizations can switch unsatisfactory performers about to find a "proper" niche, such gigantism in and of itself leads to another question. If your organization is so big, and has so many more employees, then don't you logically have just that many more opportunities to find slackers, neurotics and misfits on your payroll?

And where do you transfer a person who is really unwilling or unable to perform on any job?

It's agin' regulations

"Company policy" is often used as a rationale in defending no-discharge practices. This defense, of course, is wholly logical and defensible for the man who is following what is, in fact, company policy.

But one wonders about the defensibility of such a policy. Recognizing the folly of such a policy is not easy for those corporations who are so governed. For example, a representative of one giant firm that employs some 20,000 men in management jobs explained his firm's policy like this:

"It's not that we have a no-fire policy; it's just that we have a policy of not firing people unless they are found guilty of gross immoral conduct."

"Can you give me an example of what would be sufficient 'gross immoral conduct' to cause discharge of a man in a managerial position?" he was asked.

"I don't know; we've never had a case that serious," he replied.

We develop our men

The fourth commonly used rationale is that, although the company knows its selection techniques are not perfect, there is no such thing as a "bad man." That is, many managers feel that if one manages

LAWRENCE L. STEINMETZ, author of this article, is an associate professor in the Graduate School of Business Administration, University of Colorado.

properly he will automatically develop his subordinates so they are enabled to blossom forth with the optimal utilization of all their native skills, drives and abilities. There is only one real flaw in this theory. In many cases, it just doesn't work.

There is nothing wrong with the "grow your own" philosophy, except it does not explain why those employees who die on the vine are not dispensed with.

It's bad public relations

Many firms feel that they can't afford—or at least don't want to afford—the reputation of not being a secure place to work, a place of stable employment. This argument is probably the most logical of all because it does recognize two irrefutable aspects of good business:

1. Any employee, particularly one in a managerial

an inordinately soft line toward the ultimate discipline of perennially poor performing managers.

The state of the firing art in U. S. industry today is therefore one of rationalizations, excuses and pseudo reasons for the failure to sever poor performers. How unfortunate when it has the potential of a well-honed, clear-cutting and decisive managerial tool which one would expect to see displayed by the dynamic corporations of today.

Irrespective of legal, moral, ethical, financial and other rationalizations for not firing people, firing an unsatisfactory performer may be the best thing that can be done for that man. That is, being summarily discharged from his job might not be the worst thing that can happen to him; in fact, it might be to his distinct advantage.

Being fired is traumatic to say the least. Having

DRAWINGS: CHARLES A. DUNN



position, represents a sizable investment of time and money in training.

2. There is an exemplary value which any incumbent manager has by way of attracting new managerial talent.

However, there is one problem which exists even with this near logical argument: The morale problem.

Any public relations oriented policy of keeping deadwood on the tree only protects the company on one perimeter—its public image. It may not be protected internally where morale counts.

While the company can be successful at buying itself a good reputation, it can also, by the very same action, be sowing the seeds of discontent among Mr. Deadwood's co-workers.

Firing as a management tool

There are, therefore, no really good explanations for a company's failure to discharge nonperforming managers. The arguments are reasonable in some cases, but specious at best.

None hold up under close scrutiny in the practical business community, and the final conclusion must be squarely met: Many, if not most, companies have

been fired, to most people, is a stigma to be lived down. This is actually one of the real reasons that men deserving of discharge aren't fired. No one wants to be responsible for this implicit degradation which it is felt he will suffer from having lost his job.

Happier for being fired

But depth interviews and discussions with men who lost their jobs indicate that men who have been fired suffer no long-run feelings of uselessness and ineptitude. Rather, for the most part, they indicated they are much happier, better off and better adjusted toward life in their new jobs than they were in the jobs from which they were fired.

Depth interviews conducted with men who were known to have been fired from managerial positions in the past five years disclose the following:

They averaged 36 years of age, had at least a bachelor's degree, were currently employed full time and had held their present jobs for two years.

More important than the fact that all of these fired managers had been able to find new and permanent employment are the following:

Nearly 50 per cent of them said that finding their

current job was easy (only one third indicated any difficulty) and as a group they had experienced an 11.5 per cent pay increase in their new job over their old salary levels.

While ease of securing new jobs and financial success serve as a solid argument for the advantage which befell these men by having been fired, even stronger support is offered if one places any premium on peace of mind and relationships with one's co-workers and family.

The Colorado University study disclosed that the "fired" managers, in over 70 per cent of the cases, rated their relationships with their new supervisor "high," while a similar 70 per cent rated relations



with their past supervisor (who had fired them) "low."

Furthermore, 95 per cent of them said they felt "better off" by having changed jobs while the remaining five per cent said they were "as well off."

None indicated being worse off because of changing jobs.

Fifty-five per cent said having to change jobs caused no changes at home, while one third said that their home life was better. None indicated any real disappointment in their present job, and 82 per cent stated they were much more happy in their new job than in their old. Seventy per cent indicated their new job had positively influenced their managerial skills and abilities while 65 per cent felt their last job had offered them no real challenge to enhance their managerial capabilities.

Almost two thirds of the respondents indicated they got much more enjoyment from working with people they associated with in their new jobs, while none indicated that they enjoyed their associates any less on their new jobs.

Secondly, when asked whether they considered job security more important than salary, 87 per cent said that salary was the most important aspect of any job.

Everybody benefits

The experiences of managers who have been fired lead to only one conclusion: In practically all cases, it is to the distinct advantage of incapable or otherwise unsatisfactory performers to be discharged from their jobs. They might never find their niche in your business, but do well elsewhere.

There is no doubt that the average manager of today who has been fired is better off because of it. This, of course, might partly result from the good economic times in which we are currently living.

Nevertheless, even if they made less, most people forced to find new jobs have found improved relationships with their new bosses and co-workers, more peace of mind at home and more contentment with their new jobs, especially with the opportunity to develop their managerial skill.

Not only are the men better off, but the company that discharged them is also a winner. Not only is it no longer paying a salary for the kind of work which was not forthcoming, but also the company can operate more smoothly with the staff that is left on the job.

Companies faced with managers who are doing an unsatisfactory job must be willing to perform surgery. No amount of "do unto others . . ." or "be kind . . ." philosophies is acceptable. Keeping him on the job probably is unfair to the man and the company.

As one of the fired managers said: "Getting fired was the best thing that ever happened to me. I feel like thanking the s.o.b. that did it." **END**

REPRINTS of "Do Him a Favor . . . Fire Him!" may be obtained from NATION'S BUSINESS, 1615 H St. N. W., Washington, D. C., 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.



BUSINESS MAIL IS OUR BUSINESS.

2.

3.



Pitney-Bowes Inc.

WALNUT AND PACIFIC STREETS
STAMFORD, CONN., U.S.A. 06904

1.

IT'S FASTER
IT'S NEATER
MAILED BY METER

4.



5.

6.

7.

Mr. John H. Watkins
415 Jefferson Street
Peoria, Ill. 61601

8.

9.

1.

The name is Pitney-Bowes.
We make 61 models of
business machines to help
expedite your mail.
And behind these machines
is a team of 2,000 men
working from
385 service points.

2.

Our Folder Inserter
neatly folds and inserts
things into envelopes.
4,000 things an hour.

4.

Your ad here. On every
piece of metered mail you mail,
your own little advertisement
is printed, so people
know what your business is.

5.

Because every envelope
is dated, cancelled
and postmarked, metered
mail doesn't get delayed
at the post office.

6.

Stamp out stamps.
Print only the exact postage
you need when you need it.

7.

We make a full line of precision
mail scales. So you always
know how much your mail weighs,
and how much postage belongs.

8.

Our Addresser-Printers print
up to 5,000 names and addresses an hour.
Each one looking like the best
typist typed it, correct zip code and all.

3.

Think of your tongue.
One of the things a
Pitney-Bowes postage meter
does is seal envelopes.

9.

And that's just a part of it.
We also make Tickometers, mailopeners,
collators, copiers. Call your
Pitney-Bowes representative for the
details. Like we said,
business mail is our business.

KARL MARX WAS ALL WET

An absorbing glance back at
the communist philosopher.
How could a man be so wrong?

Karl Marx was a German economist-intellectual-radical-writer-theorizer-political scientist. He was communism's philosopher. And he was also a failure.

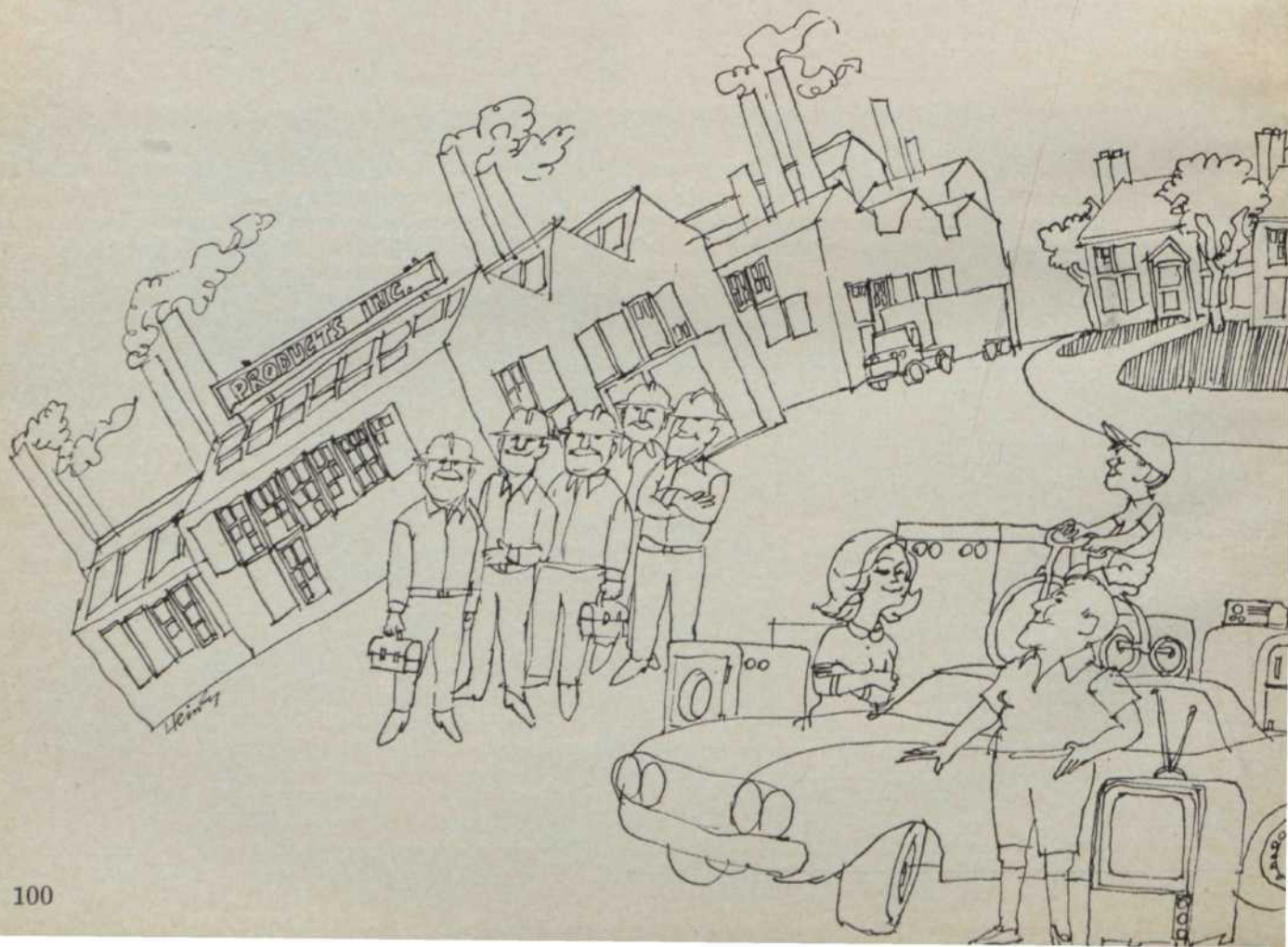
During his life, which covered the span of 1818 to 1883, he put down on paper a series of attacks on capitalism, free enterprise, the managerial class and the rich. He also wrote hundreds of thousands of words about collectivism, revolution, the proletariat, the poor, workers and political control.

Now a century after the peak of his writing, it is time to have a closer look at this patron saint of the far, far left and determine just what a failure he and his ideas really are.

A half century ago this autumn, communism upset a socialist regime in Russia, turned the country into the Soviet Union and thereby began the practical, day-to-day test of Marx's theories.

Today, many of his theories are shattered. Much of his writing would be laughable if it were not so dull and so dangerous.

Even Marx's closest followers, the leaders of the modern communist world, drift further from his precepts.



Here are some of his grossest misjudgments:

A Marx main theme that the rich get richer, the poor poorer, is false. There is wider distribution of wealth now than ever before.

Ownership of the means of production will be concentrated in a few capitalistic hands, Marx feared. But more people own shares of the productive process now than at any time in history. Marx did not know that a new type of man would emerge—the worker-capitalist.

Marx foresaw a classless society. True there are fewer classes today. The reason is there is a broader spread of wealth due to free enterprise and capitalism. It is not because a communist economy was imposed. Instead of dying out, as Marx predicted, the middle class has absorbed much of the lower class.

Marx gave business, capitalism, industrialists and modern nonsocialist governments little credit for ability to make changes and adapt to new situations. This has been proven incorrect. Capitalism is dynamic.

Marx said agriculture would fall prey to capitalistic monopoly. False. In America, at least, the diverse

ownership and competitiveness of farming is as vigorous as the federal government will permit.

Marx's theory is wrong that an item's value is determined by the amount of labor producing it. Many things—supply, demand, timeliness, location—determine value.

Proletarian revolts have not occurred in highly capitalistic nations. Despite Marx, communist-collective groups have taken over only in backward nations, or in places where there was strife, war, aftermath of war.

Workers in capitalist nations suffer little of the misery Marx foresaw for them. Instead they have gained high living standards, more leisure, easier work, better working conditions and social security.

What Marx overlooked

In "Das Kapital," Marx did not foresee that workers would so soon be getting higher wages and added compensation in various forms—overtime pay, vacations, retirement contributions, insurance, subsidized housing, profit sharing, bonuses and company assured, low interest loans.

Lenin, the revolutionist who founded the USSR, read Marx to

say that governments would wither away. Today we have bigger governments and more layers of government than ever before.

Marx predicted that capitalism would be destroyed by successive crises of overproduction. Instead, capitalism realized that rising production can be sustained as a source of profits if it is accompanied by rising consumption. So it stimulated customers' appetites with advertising and other marketing techniques.

Marx believed that the market for goods would become a more limited one because the small owning class could consume little. Instead the middle class has drawn into itself and converted into consumers an ever larger number of the working class.

Marx predicted a centralization of credit in the hands of the state by means of a national bank and a state monopoly. Where this has been tried, in countries called communist, the results have been highly unsatisfactory.

Marx predicted that in the most advanced countries the abolition of private property would generally take place. Not only has this failed

DRAWING BY JOHN HEINLY



to happen, but the countries that call themselves communist find that the prospect of ownership must be reintroduced as an incentive.

Marx made what he called an "infallible" prediction—and yet

dared to call himself a scientist. His friend and co-worker, Friedrich Engels, prodded him to find proofs for his theory that economic conditions determine history. Marx undertook the search reluctantly; and it yielded scant fruit.

Acting on a hunch which came to him as he walked on a London street one day, Marx declared class struggle to be the one true dynamic of history. Hadn't he heard of personal ambition?

Marx predicted that violent overthrow would usher in "the dictatorship of the proletariat"—rule by the workingman. He expected this to happen in his lifetime in the advanced industrial countries. Lenin expected it to happen in the wake of World War I. Stalin expected it to happen in the early 1930's, when the West was in the grip of depression. It has not happened, and it shows no signs of happening.

The working class is not a revolutionary class, as Marx said it was. The Russian proletariat does not even control Russia. The communist hierarchy—a highly paid, immensely powerful, self-perpetuating group—runs Russia. Communism is dictatorship over the proletariat, not control by the proletariat, as Marx believed.

Source of his error

Why was Marx so often wrong? He was one of the most educated men of his day, and had gone to the Universities of Bonn and Berlin. But he turned to radicalism in his university days and swung further to the radical left as a newspaper man in the German Rhineland.

His devoted wife, Jenny von Westphalen, and his friend, Engels, believed in him even after he took up communism in Brussels in the 1840's.

As he moved through life Marx became more of a destructive force. He criticized, complained and carped. He mocked and he was sarcastic. He felt put upon and persecuted. He quarreled often with communist groups.

He was a failure at nearly everything he tried. His friends deserted him. Paper after paper he worked on went under. During one period in London he wrote occasionally for the *New York Tribune* and received \$5.50 per article.

One hundred years ago he began writing "Das Kapital," perhaps his most influential work. Friends had to finish the job because he died while living in London.

For many reasons he was wrong. One big one was that he knew nothing whatever about working people. He was an intellectual, writer, theorist. He was never closely associated with workingmen. He rarely listened to what some of them had to say and because of this he squeezed them into an ideological stereotype.

Misjudged workingmen

"The workingmen," he declared, "have no country." He could scarcely have been more wrong. Working people are as nationalistic or patriotic as anyone else.

"Workers of the world unite!" he trumpeted, and he expected them to swarm to his call. Except for a few, none did. The closer capitalism came, in various countries, to the point where Marx felt it to be ripe for overthrow, the more absorbed the workers became with bettering their lot within the system.

Paradoxically, they were learning to unite, but not for the task his theory assigned to them—not for an

GRACIOUS SERVICE

Since
1892



Colorado visitors
have chosen the world famous
Brown Palace Hotel

THE
Brown Palace
HOTEL

DENVER, COLORADO

KARL W. MEHLMANN, General Manager

Represented by: **Robert F. Warner**
New York City

Glen W. Fawcett
Los Angeles



T. ROWE PRICE GROWTH STOCK FUND, INC.



A NO-LOAD FUND

Investing in stocks
carefully selected for long term
growth possibilities

Individuals & institutions
are invited to request free prospectus

NO SALES CHARGE

T. Rowe Price Growth Stock Fund, Inc.
One Charles Center, Dept. D-1
Baltimore, Md. 21201

Name _____
Address _____
Zip _____

ATTENTION: PROGRAM CHAIRMEN

16MM FILMS AND 35MM
SLIDES DESIGNED TO
EMPHASIZE THE IMPORTANCE OF PROTECTING
ECONOMIC AND POLITICAL FREEDOM IN YOUR
COMMUNITY

Here's a real opportunity to
use these award-winning visual
aids at your meetings. It's a
great way to bring some important
basic economic facts
before your group.

AUDIO-VISUAL SERVICES DEPARTMENT
Chamber of Commerce of the United States
1615 H Street, N.W., Washington, D.C. 20006

Please send free Film and Slide Catalog (0846)

Name _____

Address _____

City _____ State _____ Zip Code _____

How private is private enterprise?



Not very.

Like it or not, Washington's influence on business is considerable.

The bigger the business, the more involved it becomes in government relations.

And the bigger the involvement, the more its executives need to be kept completely up-to-date on events in Washington.

That's why Nation's Business is in business.

Each month Nation's Business tells executives what's happening in Washington that will affect their businesses.

Then we tell them what's going to happen.

And we're usually right.

Nation's Business is uniquely qualified to predict trends in Washington because we're the only business magazine published there.

Our writers and editors know more about official Washington than most Washington officials.

They know who to see and where to find him; what questions to ask and which answers to check.

As a result, Nation's Business offers distinct advantages to readers and advertisers.

The readers get a useful look ahead from Washington.

The advertisers get the readers.

And it's only logical that the businessman who reads a magazine that looks ahead, looks ahead himself. So Nation's Business readers are the company planners, the decision makers, the buyers, the check signers.

And the way to sell them is to buy them.

In Nation's Business.

Nation's Business

Largest circulation of any business magazine.

enterprise of overthrow. They were struggling to form unions; beginning to bargain with employers; seeking by means of strikes to improve their earnings and working conditions; becoming stockholders in their own and other companies.

During most of his life, Marx had been adamant against being appropriated by the Russians, for whose mentality and manners he had small regard. But 34 years after Marx's death, Lenin seized command of Russia and proclaimed his Bolsheviks to be the "vanguard" of the working class. In short, he substituted for Marx's proletariat a small band of professional revolutionaries.

Thus, instead of the "dictatorship of the proletariat," he set up the dictatorship of the Bolshevik Party; and this party, now called communist, has carried down through the years the right to exclude from its

membership most of the working class.

Despite what Russians say today, Lenin was contemptuous of working people. Western capitalists hold the workers in infinitely higher regard.

Karl Marx spent his adult life predicting and planning capitalism's destruction. His "fated course of history" assigned capitalism one vital task: That of creating a proletariat ready to seize the reins of power. He was willing to praise capitalism's accomplishment of this task.

The catch was that, in the more advanced countries, he saw this task as completed. He had no concept of what capitalism still had in it to become. His mind was too muddled for him to look ahead.

What we now have in capitalism is an increasingly effective method

of responding to demand with an appropriate supply.

Blind to its true nature

Capitalism is, to be sure, a way of pursuing wealth for oneself. This was about all that Marx could see in it. But what has distinguished capitalism from other systems for the pursuit of wealth is that it gears the pursuit of wealth to production. That is to say, it requires, by and large, that the person who "extracts" wealth from society must also put wealth into society.

Marx's grave today is in Highgate Cemetery in North London. It is visited almost daily by Russians and Central European communists. What they do not know is that the system of government and economics they live under bears so very little resemblance to Marxism. Although they may only now be slightly aware of it, the remainder of the world is coming to realize fully that Karl Marx was all wet. **END**

Advertisers in this issue • November 1967

| | Page |
|---|---------|
| Air Express, Division REA Express | 19 |
| Ketchum, MacLeod & Grove, Inc., New York | |
| Allstate Insurance Co. | 1 |
| Leo Burnett Co., Inc., Chicago | |
| American Photocopy Equipment Co. | 91 |
| David L. Elias & Associates, Inc., Chicago | |
| American Telephone & Telegraph Co. | |
| Business Management | 4, 5 |
| N. W. Ayer & Son, Inc., Philadelphia | |
| American United Life Insurance Co. | 69 |
| Caldwell-Van Riper, Inc., Indianapolis | |
| Avis Rent A Car System, Inc. | 9 |
| Doyle, Dane, Bernbach, Inc., New York | |
| Avis Rent A Car System, Inc., Truck Rental Div. | 47 |
| Doyle, Dane, Bernbach, Inc., New York | |
| Brown Palace Hotel | 102 |
| Ranck-Ross-Moore & Freiburger-Clark, Inc., Denver | |
| Cadillac Motor Car Div. | |
| General Motors Corp. | 79 |
| MacManus, John & Adams, Inc., Bloomfield Hills | |
| Chevrolet Motor Division | |
| General Motors Corp., Auto Fleet | 15 |
| Campbell-Ewald Co., Detroit | |
| Chevrolet Motor Division | |
| General Motors Corp., Truck | 34 |
| Campbell-Ewald Co., Detroit | |
| Chrysler Division, | |
| Chrysler Corp. | Cover 4 |
| Young & Rubicam, Inc., Detroit | |
| Continental Insurance Companies | 17 |
| Doyle, Dane, Bernbach, Inc., New York | |
| Eastman Kodak Co. | |
| Business Systems Markets Div. | 73 |
| J. Walter Thompson Co., New York | |
| Eriksen Centrum, Inc. | 22 |
| Robert Cone Advertising, Inc., New York | |
| Filer, Schmidt & Co., Inc. | 24 |
| Albert Frank-Guenther Law, New York | |
| Flying Tiger Line, The | 23 |
| Cole Fischer Rogos, Inc., Beverly Hills | |
| Ford Tractor & Implement Operations (U. S.) | Cover 3 |
| Meldrum and Fewsmith, Inc., Cleveland | |
| Fort Howard Paper Co. | 84 |
| Clinton E. Frank, Inc., Chicago | |
| Friden, Inc. | 16 |
| Meltzer, Aron & Lemen, Inc., San Francisco | |

| | Page |
|--|------------|
| General Aniline & Film Corp. | 25 |
| Daniel and Charles, Inc., New York | |
| Hilton Hotels Corp. | 30 |
| McCann-Erickson, Inc., New York | |
| Holiday Inns, International Association | 14 |
| Beard, Lawson, Potter, Memphis | |
| Houston Lighting & Power Co. | 71 |
| Ritchie Advertising Agency, Houston | |
| Kaiser Jeep Corp. | 12, 13 |
| Compton Advertising, Inc., New York | |
| Kelley Services | 53 |
| Campbell-Ewald Co., Detroit | |
| Latham Time Recorder Co. | 20 |
| George and Glover, Atlanta | |
| Meilink Steel Safe Co. | 85 |
| Beeson-Reichert, Inc., Toledo | |
| Minnesota Mining & Manufacturing Co. | |
| Copying Products Div. | 29 |
| MacManus, John & Adams, Inc., St. Paul | |
| National Car Rental System, Inc. | 33 |
| Campbell-Mithun, Inc., Minneapolis | |
| National Cash Register Co. | Cover 2 |
| McCann-Erickson, Inc., New York | |
| National Truck Leasing System | 82 |
| Stevens-Kirkland-Stabelfeldt, Inc., Chicago | |
| New England Mutual Life Insurance Co. | 49 |
| Batten, Barton, Durstine & Osborn, Inc., New York | |
| New York Life Insurance Co. | 6, 82 |
| Compton Advertising, Inc., New York | |
| New York State Department of Commerce, Industrial Div. | 42 |
| Batten, Barton, Durstine & Osborn, Inc., New York | |
| Northern Natural Gas Co. | 63 |
| Bosell & Jacobs, Inc., Omaha | |
| Oldsmobile Division | |
| General Motors Corp. | 67 |
| D. P. Brothier & Company, Detroit | |
| Olivetti Underwood Corp. | 83 |
| Ketchum, MacLeod & Grove, Inc., New York | |
| Paillard, Inc., Hermes | 43 |
| deGarmo, McCaffery, Inc., New York | |
| Pitney-Bowes, Inc. | 54, 55, 99 |
| deGarmo, McCaffery, Inc., New York | |
| Plymouth Division | |
| Chrysler Corporation, Plymouth | 21 |
| Young & Rubicam, Inc., Detroit | |

| | Page |
|--|------|
| Pontiac Motor Div. | |
| General Motors Corp. | 93 |
| MacManus, John & Adams, Inc., Bloomfield Hills | |
| Postalia Postage Meters | |
| Division of Tele Norm Corp. | 10 |
| Harry W. Graf, Inc., New York | |
| Price, T. Rowe, and Associates, Inc. (Growth Stock Fund) | 102 |
| VanSant, Dugdale and Co., Inc., Baltimore | |
| Republic Steel Corp. | |
| Manufacturing Div. | 57 |
| Meldrum and Fewsmith, Inc., Cleveland | |
| Savings & Loan Foundation, Inc. | 37 |
| McCann-Erickson, Inc., New York | |
| SCM Corporation | |
| Office Equipment Div. | 11 |
| D'Arcy Advertising Co., St. Louis | |
| Transamerica Insurance Co. | 18 |
| The Wyman Co., Inc., San Francisco | |
| United States Fidelity & Guaranty Co. | 26 |
| VanSant, Dugdale & Co., Inc., Baltimore | |
| Wheaton Van Lines, Inc. | 24 |
| Sogard and McGrath, Indianapolis | |

Regional Advertisements

| | |
|--|-----|
| American Electric Power Service Corp. | 105 |
| Gardner Advertising Co., New York | |
| Bank of America | 107 |
| D'Arcy Advertising Co., San Francisco | |
| General Acceptance Corp. (Commercial) | 90 |
| Lieberman Associates, Inc., Allentown | |
| Kaar Electronics Corp. | |
| Marine & Land Communications Div. | 77 |
| Ronalds-Reynolds & Co., Montreal | |
| Magazine Publishers Association | 107 |
| Magazine Advertising Bureau, New York | |
| Old Ben Coal Corp. | 75 |
| The Griswold Eshleman Co., Chicago | |
| Olin Mathieson Chemical Corp. | |
| Euusta Paper Div. | 107 |
| Bennett Advertising, Inc., High Point | |
| State of Tennessee | 95 |
| Noble-Dury & Associates, Inc., Nashville | |
| Treasury Department | |
| U. S. Savings Bonds Div. | 105 |



A U.S. Savings Bond? Look Again.

It's called a "Freedom Share." Completely new, with 4.74% interest rate when held to maturity of 4½ years, this U.S. Savings Note gives added reason for conducting a Payroll Savings Campaign in your plant.

Sold on a one-for-one basis with Series E Bonds, and only to regular savers like those on the Payroll Savings Plan, Freedom Shares multiply employee investments faster, offer greater incentive towards systematic savings.

Freedom Shares are available in four denominations ranging from \$25 to \$100, and only one deduction is necessary to apply towards the Bond/Freedom Share "package."

A complete kit is available with all the information and material you'll need to set up the plan. Write for it today.



Treasury Department, U. S. Savings Bonds Division
Washington, D. C. 20226

Dear Sirs:

Please send me a kit containing all I will need to set up a Payroll Savings Plan in my plant.

Name _____
Position _____
Company _____
Number of Employees _____
Address _____
City _____ State _____ Zip _____



In your plant... promote the PAYROLL SAVINGS PLAN for U.S. Savings Bonds



The U. S. Government does not pay for this advertisement. It is presented as a public service in cooperation with the Treasury Department and The Advertising Council.

"The greatest story never told"

BY JEFFREY ST. JOHN

"Never have the young been so publicly studied, analyzed, reported, and 'explained'—and never has so much *fiction* been spun out of so little *fact*."

So states a report of the Research Institute of America.

Results of a five-month RIA study, embracing some 5,000 students on a dozen U. S. college campuses, raise the question whether Americans in general, and businessmen in particular, have been "brainwashed" about the true nature of the nation's young.

"It is disturbing," notes the study, "to realize how much of what the older generation knows about the young just *isn't so*. Business, particularly, has been surprisingly ready to accept the exaggerations and distortions that stem from two sources: an articulate minority, and a sensation-seeking press."

• • •

On the issue of whether the young are rejecting business as a career, the RIA report notes that "... widely considered antagonistic toward business, college students are actually more critical of government and education; rate business first as a career choice." This statement is substantiated by the results of the survey.

For example, when students were asked what they saw as providing the most promising opportunities, in terms of personal fulfillment, business scored first with 24 per cent; arts and literature second with 18 per cent; science and outer space nine per cent; philosophy and religion, eight per cent; and government and politics tied for fourth with eight per cent. Sharp contrast to the persistent assertion that business is being rejected by students in favor of government service.

"The low esteem with which students held government and its implications as public service," the study continues, "showed up clearly when asked what sector of society students thought was the most *hypocritical*. Consistently, with only slight deviations, they cited 'politics and government,' followed closely by 'sales and advertising.' ... Significantly, *business*

executives received the lowest number of critical votes."

While some business executives may have believed the myth that business is for the birds, now shot down by the RIA report, it does not mean business is not without a serious problem when it comes to students.

For example, the survey uncovered that "students still suffer from a vast sea of ignorance of the *actual* sources of technological and scientific achievement: the American industrial community." When asked what were the most exciting changes going on today, science and outer space scored highest with 29 per cent, followed by automation and technology with 23 per cent. But when asked what field of endeavor has made the most significant contribution to the cause of a better life in America, business ranked a poor fourth below government. This indicates an ignorance of business, how it works and what principles govern its operations.

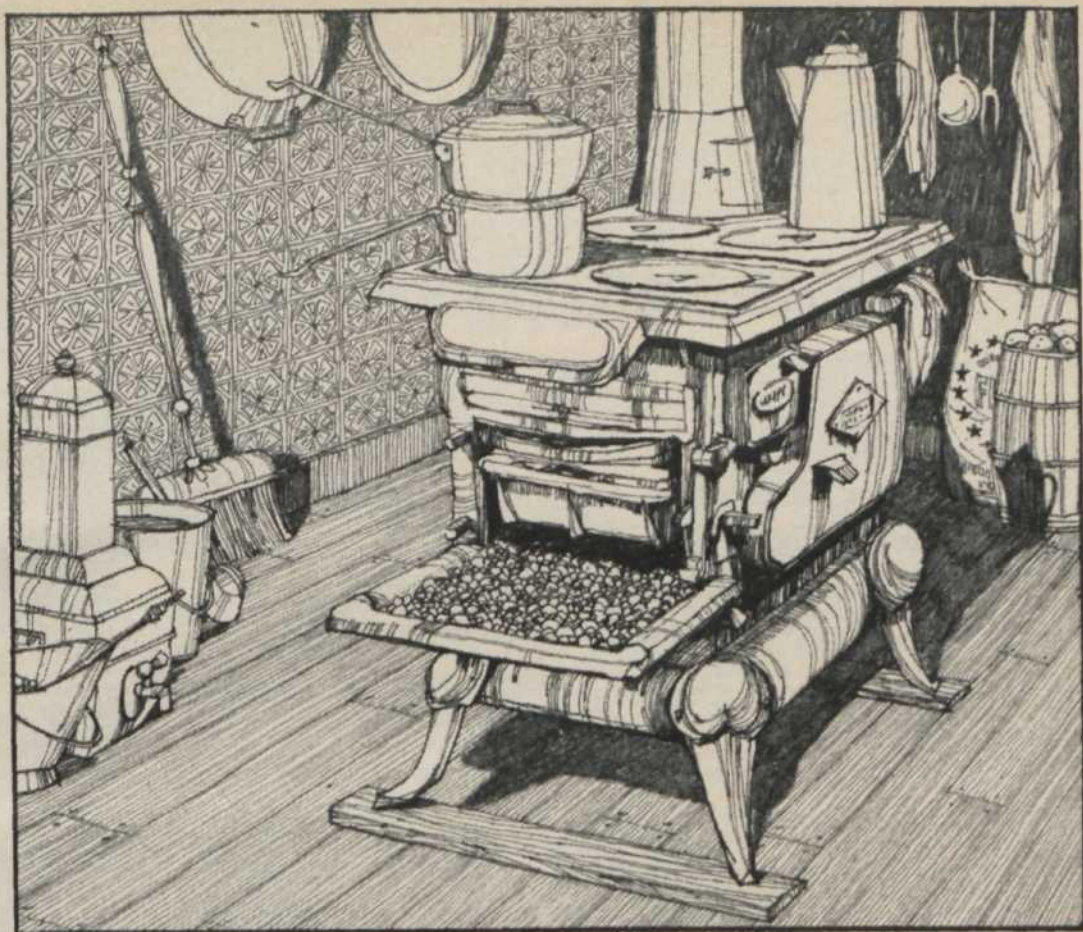
"It is clear," states the report, "that business has a different kind of public relations task than has been assumed. The problem is not so much one of improving its image generally with college students, but of communicating to them the opportunities available. This is particularly important in terms of clarifying choice of careers. A large percentage of the many students who expressed a preference for 'technology' or 'science and outer space' may very well find their opportunities within research laboratories or organizations that could only be classified as 'business.' But students, apparently, do not make that connection."

• • •

At present most young people are provided a negative portrait of business, picked up from their professors, fellow students and the mass media. Thus, what is needed is a wide-ranging communications program for adults as well as the younger generation.

As the study reports, "the student population is no better educated in this regard than the general public." The president of Morton International, Inc., Daniel Peterkin Jr., describes business as "the greatest story never told." Those five words sum up the major problem now facing our business community. ... Unless there are some marked changes, those words will be, in time to come, the epitaph of the society we know today."

Mr. St. John is a journalist, a radio commentator and a consultant to the Research Institute of America on youth attitudes. His column appears regularly in NATION'S BUSINESS.



It used to take Grandmother eight hours to fix Thanksgiving Dinner. She had no choice.

You've heard about the "good old days."

Well, this is what they looked like to your grandmother. This is where she spent most of her time.

Because grandmother's world was strictly do-it-yourself, every meal was a production. Even her breakfast porridge had to be cooked for an hour.

Thanksgiving was the longest day of the year. Plucking a turkey took time. Cranberry sauce didn't come in a can. She peeled, sliced, scraped, and cut her own vegetables. She not only baked the pies but, chances are, did her own bread and rolls, as well.

In fact, the "good old days" weren't all that good to grandmother. She'd have traded them cheerfully for one, good, up-to-date supermarket.

Instant oatmeal might have given her another hour in bed in the morning. And oh, the joy of a big, plump, packaged turkey, home from the store and ready for the oven. And the turkeys even taste better today—bigger, meatier, with less waste.

How did they get that way? The same way so many other parts of modern living have been improved. The competition between turkey breeders for more sales have driven them, over the years, to breed a better turkey.

Almost everything on the supermarket shelf is a product of that same kind of competition. Because it is competition that drives manufacturers to make things better, offer more variety and convenience. And keep prices low.

In the "good old days" grandpa worked twelve hours for the price of an 18-pound turkey. Today, he works only 3.2 hours. He worked forty minutes for a loaf of bread. Now it takes only five minutes.

Think about that the next time you hear some well-meaning person say there's too much competition today, too much choice in the marketplace, too many brands in the supermarket. They think the government should step in and restrict this competition.

But, since nobody knows for sure how far you can restrain competition without harming the economy, hadn't we better be careful? Do we want to give up the things that grandpa never had? Certainly, the less competition there is, the fewer new and improved products we'll see in the market.

In fact, if we're not careful, we may soon have good reasons to look back on today as the "good old days."

THE TIME TO SAY NO

The government's thumb is in so many pies these days, it's hard to find anything still untouched, any activity unfunded.

But you can't blame it all on Washington.

Nearly 16,000 bills have been introduced in Congress so far this year. Somebody besides LBJ must want something.

And whenever Congress does attempt to get public reaction to any given spending proposal, it hears plenty of Yeses from people who want it. Welfare spokesmen line up for bigger handouts, educators for more subsidies, town officials for that new post office or dam.

Unfortunately, the spokesmen for economy are few. Lawmakers don't hear from most of the silent millions far from Washington who are muttering under their breath about soaring spending.

Too many Americans have forgotten that they can say No any day of the year. You really don't have to let them build up until election day and say No in the polling booth.

Nation's Business • November 1967

MORE THAN 815,000 SUBSCRIBERS IN BUSINESS AND INDUSTRY



Most rental yards and many Ford tractor dealers rent Ford tractors and equipment by the day, week, or month. See the Yellow Pages.

Born to earn



Race a Ford through tough job after tough job. Then, be pleasantly surprised by its low operating cost. ■ First, you'll find intervals between servicing stretch out longer than ever. 300 hours between oil changes. 600 hours from spark plugs. 1,200 hours from diesel fuel filters. And, on the job, you'll profit from cost-cutting fuel economy—due to bigger combustion chambers and opposed manifolds. ■ In addition, you can eliminate clutch maintenance costs once and for all. How? With torque converter with power-reversing transmission. No clutch—no clutch maintenance. ■ In fact, you'll find profit-making strength and stamina everywhere in a Ford rig. Heavy-duty front and rear axles built for the job—your job. Oil-immersed disc brakes sealed against dirt and water. Backhoes with 50 percent more digging power than before. Fast-cycling, self-leveling loaders with lift capacities of from 2,000 to 4,500 lb. ■ The payoff? More productivity. More profits. So, see your Ford tractor and equipment dealer soon. ■ Ford Tractor Division, 2500 East Maple Road, Birmingham, Michigan 48012.



IMPERIAL

If you want more than luxury in your luxury car



Watch the Bob Hope Show and AFL Football on NBC-TV.

The 1968 Imperial LeBaron

A luxury car should do a lot more than just look beautiful at the club.

When you buy in this price class you have every right to expect exceptional styling.

The 1968 Imperial obliges. Beautifully.

But the new Imperial offers far more than looks. In this one, you don't just see luxury. You experience it.

You feel it in a seat that power adjusts six ways—until

height, tilt, and leg room are right for you.

You feel it in the response of a 440 cu. in. V8, the largest ever offered by Chrysler Corporation. You feel it in the smooth torsion-bar ride.

Inside, Imperial options wait on you hand and foot.

On the straightaway, Auto-Pilot speed control maintains

the speed you select.

With Auto-Temp, the temperature you choose remains constant—winter and summer. And, if you wish, stereo sound surrounds you.

This year, get more than luxury in your luxury car. Drive the 1968 Imperial, finest automobile built by Chrysler Corporation.

IMPERIAL

